EXHIBIT 1

Kenneth M. Krys, et al.
v.
Christopher Sugrue, et al.

and

Kenneth M. Krys, et al.
v.
Deutsche Bank Securities Inc., et al.

Expert Report of Avram S. Tucker

TM Financial Forensics, LLC
August 17, 2012

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Avram S. Tucker

9.19 EXHIBIT
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NANCY MAHONEY, CCR, RPR

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I. Introduction

A. Scope of engagement

TM Financial Forensics, LLC ("TMF") has been engaged by counsel for PricewaterhouseCoopers LLP; Grant Thornton LLP and Mark Ramler; Mayer Brown LLP, Joseph Collins, Edward Best and Paul Koury; Merrill Lynch, Pierce, Fenner and Smith, Incorporated (as successor-by-merger to Banc of America Securities LLC) and Credit Suisse Securities (USA) LLC; and Deutsche Bank Securities Inc. (collectively, the "Defendants") in connection with litigation brought by Kenneth M. Krys and Margot MacInnis as Joint Official Liquidators of the SPhinX family of hedge funds ("SPhinX") and The Harbour Trust Company Ltd. as Trustee of the SPhinX Trust, the assignee of claims formerly belonging to the estate of PlusFunds Group, Inc. ("PlusFunds") (together with the Joint Official Liquidators, the "Plaintiffs").[1]

In the relevant complaints, Plaintiffs asserted a variety of claims against Defendants.[2] I understand that all of the claims against Defendants have been dismissed except for the claims of aiding and abetting fraud. I further understand that Plaintiffs are seeking to recover from Defendants (1) $263 million plus interest in damages allegedly suffered by the SPhinX Managed Futures Fund SPC ("SMFF") and (2) the lost business enterprise value allegedly suffered by SPhinX's investment manager, PlusFunds.[3]

I understand that Defendants deny any liability in this case. TMF has been asked to analyze and evaluate Plaintiffs' claims, focusing on the appropriateness of the damages approach, assumptions, support and calculations. I have analyzed the appropriateness of Plaintiffs' claimed damages of $263 million relating to losses allegedly suffered by SMFF arising out of cash that had been deposited at an offshore affiliate of Refco.[4,5] I have also reviewed and analyzed the expert report issued by Joan Lipton, who was retained by Plaintiffs and opined on the fair market value of PlusFunds as of September 30, 2005.[6]

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[1] Kenneth M. Krys, et al. v. Christopher Sugrue, et al. Amended Complaint, dated October 10, 2008 ("Amended Complaint"); Kenneth M. Krys, et al. v. Deutsche Bank Securities Inc., et al. Complaint, dated September 8, 2010 ("Deutsche Bank Complaint"), page 1; Kenneth M. Krys, et al. v. Christopher Sugrue, et al., Kenneth M. Krys, et al. v. Robert Aaron, et al., Kenneth M. Krys, et al. v. Richard Butt and Kenneth M. Krys, et al. v. Deutsche Bank Securities Inc., et al. Special Master Order for Substitution, dated June 17, 2010, page 4; Kenneth M. Krys, et al. v. Christopher Sugrue, et al. and Kenneth M. Krys, et al. v. Deutsche Bank Securities Inc., et al. Moving Defendants' Memorandum in Support of Summary Judgment, dated August 2, 2012, page 1.

[2] Amended Complaint, paragraphs 1142 to 1190, 1255 to 1293, 1303 to 1319 and 1344 to 1358; Deutsche Bank Complaint, paragraphs 353 to 401.

[3] Amended Complaint, paragraph 1; Deutsche Bank Complaint, paragraph 1.

TMF's analysis has been performed by me (Avram S. Tucker) and by other TMF professionals working at my direction. I have considered various documents, including documents produced by the parties in this litigation, as well as pleadings and other related documents. A listing of the documents I reviewed and considered in the course of performing my work is included as Attachment A to my Report. My opinions and analyses presented in this Report are based on currently available information. If this matter proceeds to trial, I may present analyses based on documents and information I have considered. Also, I may prepare graphical or illustrative exhibits based on the contents of my Report, the documents and information considered, and my analysis of the documents and information. I am continuing to analyze data produced in this case and, if appropriate, will supplement my Report.

B. Qualifications of Avram Tucker

I am the Chief Executive Officer (and co-founder in 2010) of TMF. TMF is a national business, management, and litigation consulting firm with approximately 45 professionals working out of offices in San Francisco, Los Angeles and Chicago. TMF consists of professionals experienced in financial, accounting, economic, engineering and information technology matters, and in the analysis of business operations, forensic accounting, and the evaluation and measurement of economic damages.

I am a Certified Public Accountant, and I am Certified in Financial Forensics (CFF), a designation given by the American Institute of Certified Public Accountants. I am a Consulting Professor at Stanford University in the School of Engineering, Department of Civil Engineering, where I teach two graduate-level courses covering accounting, finance and management topics,

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4 Amended Complaint, paragraph 1; Deutsche Bank Complaint, paragraph 1.
5 Except as otherwise indicated, references in my Report to "Refco" are to Refco, Inc. and its affiliates and subsidiaries.
6 Expert Report of Joan A. Lipton, dated June 28, 2012 ("Lipton report"), page 1. My Report addresses the primary opinions of Ms. Lipton, expressed in her report dated June 28, 2012. My Report does not address all analyses and opinions set forth in Ms. Lipton's report. I may address other aspects of Ms. Lipton's report after reviewing her deposition testimony.

including analysis of companies' financial statements and operations; analysis of long-term contracts; and the evaluation of damage claims.

From 2004 until 2010, I held a variety of positions, including Managing Director, Executive Committee Member and strategic advisor to the Executive Committee at Navigant Consulting, an international consulting company with approximately 2,000 professionals. From 1994 until 2004, I was co-founder and Chief Executive Officer of Tucker Alan Inc., a national business litigation and consulting company with approximately 250 professionals. From 1981 to 1994, I was employed by Peterson Consulting Limited Partnership (and its predecessor companies), an international consulting company of approximately 400 professionals, where I held a variety of positions, including Executive Vice President and Chief Operating Officer. From 1977 until 1981, I worked for the international public accounting and consulting firm of Arthur Andersen & Co. in its Washington, D.C. office, where I performed financial statement and special purpose audits and provided business, management and regulatory consulting services to companies in a variety of industries.

I have performed forensic accounting, economic and operational analyses of companies in various industries. My analyses have included the study of financial condition, business operations, market and economic factors, and effects of competition. I have analyzed the financial condition of corporations and partnerships; performed damage studies (increased costs, lost profits, business and asset valuation, and royalty); analyzed disgorgement claims; and assessed financial statements, compliance with Generally Accepted Accounting Principles, disclosures and other representations under a variety of circumstances.

My consulting, described above, has been in the context of business consulting and in connection with disputes related to antitrust, bankruptcy (including solvency and fraudulent conveyance matters), breach of contract, business interruption, construction, employment, entertainment and sports, environmental, product defect, financial institutions, fraud, government contract, insurance, intellectual property, merger and acquisition, professional negligence (involving accounting, consulting and law firms, as well as corporate directors and officers), real estate, regulated industry, securities, and other matters.

I have performed many forensic accounting, economic and operational studies to address liability, causation and damages aspects of disputes in connection with litigation; arbitration;

Securities and Exchange Commission ("SEC") investigations; regulatory and prudence disputes; and Public Company Accounting Oversight Board investigations. These analyses included study of financial condition, economic conditions, industry factors, competition, and management actions and decisions, to assess (1) specific factual allegations involved in the dispute; (2) reasons for changes in a company's financial condition; (3) causes and timing of insolvency; (4) factors resulting in a company's bankruptcy; (5) whether damages claimed by a plaintiff are caused by the liability allegations in the dispute; and/or (6) the approach, support and reasonableness of assumptions in determining economic damages.

My analyses have covered various companies and industries, including financial institutions; construction/engineering; big box retail; technology; publishing/advertising; agriculture; pulp and paper; medical transportation; automotive parts; mining; travel/timeshare; professional training; commercial airline; self-storage; petrochemicals; real estate investment; wireless broadband and other industries. I have experience analyzing banks, savings and loans, mortgage lenders, real estate investment trusts, investment companies, brokerages, and other financial institutions. My financial institutions experience includes analyzing claims of professional negligence; lender liability disputes; financial statement audit; management consulting; troubled loan workout; bankruptcy; director and officer liability; fraud and embezzlement; real estate lending; cost of service; trust; money laundering; funds tracing and other matters. I have studied the recent financial crisis, including its impact on banks, savings and loans, hedge funds and other companies.

In the course of my work I have studied and relied on financial statements and SEC filings; bankruptcy court filings; press releases; earnings conference call transcripts; analyst reports; media reports; company budgets, forecasts, projections and business plans; internal audit reports; board of directors meeting minutes and board packages; outside auditor workpapers; accounting and operational books and records; internal correspondence; valuations and other financial analyses prepared by investment bankers; regulatory reports; management reporting packages; road show presentations; and other information.

I have provided expert testimony on accounting, economic, finance and business operations topics involving matters in United States Federal and State civil courts; before State and Federal administrative boards; in the United States Court of Federal Claims; in the United

States Bankruptcy Court; in FINRA (Financial Institution Regulatory Authority) proceedings; and in arbitration in the United States, Australia, France, Switzerland, South Africa and the United Kingdom. I have testified on liability and causation issues, as well as the appropriate economic theory and methods to calculate lost profits, increased costs, and other damages. I have testified on behalf of corporations, individuals, and government agencies.

My resume, which includes a listing of my publications, is included as Attachment B to this Report. A listing of my testimony since 2008 is included as Attachment C. My hourly rate is $650. The hourly billing rates of other TMF professionals working at my direction range from $250 to $575. My and TMF's compensation is not, in any way, dependent on the outcome of this proceeding or the substance of my opinions.

II. Executive Summary

Plaintiffs are seeking damages from Defendants for their alleged substantial assistance in what the Court has referred to as "the Refco fraud."[7] Plaintiffs assert that the discovery of the Refco fraud and Refco's crash in October 2005 resulted in the loss of approximately $263 million of SMFF cash wrongfully deposited at an offshore affiliate of Refco, Refco Capital Markets, Ltd. ("RCM"), and that these losses led to the collapse of both SPhinX and PlusFunds.[8] I understand that Plaintiffs are seeking to recover (1) $263 million plus interest in damages allegedly suffered by SMFF and (2) the lost business enterprise value allegedly suffered by SPhinX's investment manager, PlusFunds.[9] I have analyzed the appropriateness of Plaintiffs' claimed damages of $263 million, based on Plaintiffs' assertions in the relevant complaints. I have also analyzed Ms. Lipton's determination of PlusFunds' fair market value as of September 30, 2005.

As described below and in the remainder of my Report, and taking Plaintiffs' liability allegations as true solely for purposes of my Report, Plaintiffs have not demonstrated any economic damages resulting from Defendants' alleged misconduct. To the extent Plaintiffs claim that Defendants are liable for the $263 million in alleged damages to SMFF and for the lost enterprise value of PlusFunds as calculated by Ms. Lipton, that claim is premised on (1) improper economic methods for determining damages, (2) insufficient analysis and unreliable methodology, (3) unreasonable and unsupported assumptions, (4) misleading analyses, and (5) other errors. Plaintiffs have also neglected to account for the conduct of SMFF and its agents after the Refco collapse.

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[7] Amended Complaint, Counts XVII and XXII, paragraphs 1258 and 1315; Deutsche Bank Complaint, Count IV, paragraph 380; Kenneth M. Krys, et al. v. Christopher Sugrue, et al., Kenneth M. Krys, et al. v. Robert Aaron, et al. and Kenneth M. Krys, et al. v. Richard Butt Report and Recommendation of the Special Master on the Omnibus Issue of Standing, dated February 3, 2010, page 3.
[8] Amended Complaint, paragraphs 1, 5 and 6.
[9] Amended Complaint, paragraph 1; Deutsche Bank Complaint, paragraph 1.

First, Plaintiffs have not demonstrated that Defendants' alleged misconduct caused any of the losses claimed as damages. In particular, Plaintiffs have not performed a proper comparison of SMFF's and PlusFunds' actual losses to the losses that would have occurred but for Defendants' alleged misconduct, assuming the truth of Plaintiffs' allegations. I understand that, with respect to Plaintiffs' claim that Defendants aided and abetted the Refco fraud, Plaintiffs allege that SPhinX and PlusFunds relied upon Refco's public filings made in connection with its August 2004 leveraged buyout ("LBO") and August 2005 initial public offering ("IPO") in choosing to continue to deposit SMFF assets at Refco.[10] Plaintiffs further allege that those public filings misrepresented Refco's true financial condition – that Refco in fact was insolvent "at least as of August 2004"[11] – and that Defendants aided and abetted that misrepresentation.[12] According to Plaintiffs, customers such as SPhinX never would have placed or maintained assets at Refco had they known of its true financial condition.[13] Based on that allegation, Refco would have been forced to file for bankruptcy protection whenever its true financial condition was disclosed.[14]

Accepting Plaintiffs' allegations, had Defendants revealed Refco's true financial condition at the time of the first public filing in connection with the LBO (which I understand to be the October 12, 2004 Form S-4 Registration Statement[15]), all of SMFF's then-existing deposits at RCM would have been exposed to loss. The proper economic measure of damages in these circumstances is the difference between the losses that would have occurred had Refco's financial condition been fairly presented (i.e., not allegedly misrepresented) in its public filings in October 2004 and the losses that actually occurred when the fraud was disclosed in October 2005.

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[10] See, for example, Amended Complaint, paragraphs 189 to 191, 1263, 1264, 1316 and 1317.
[11] See, for example, Amended Complaint, paragraph 26.
[12] Amended Complaint, paragraphs 191, 1255 to 1266, 1311 to 1319; Deutsche Bank Complaint, paragraphs 377 to 381.
[13] Amended Complaint, paragraphs 191, 293 and 1223
[14] Amended Complaint, paragraphs 202 and 337.
[15] Amended Complaint, paragraph 274.

As of October 12, 2004, there was $586 million of SMFF cash at RCM.[16] If Defendants had disclosed the Refco fraud in October 2004 (taking as an assumption, solely for purposes of my Report, Plaintiffs' allegations that Refco was insolvent by October 12, 2004 and that Defendants each had actual knowledge of the fraud), then SMFF's $586 million in cash would have been exposed to loss upon Refco's bankruptcy filing, resulting in greater losses to SMFF than the losses sustained after October 2005, when only $312 million was at RCM.[17] Even accepting Plaintiffs' allegations, PlusFunds then would have met the same fate when the Refco fraud was disclosed. (See Section III below.)

Second, putting aside the lack of a causal connection between Defendants' alleged misconduct and the harm to SMFF and PlusFunds, Ms. Lipton did not perform a proper valuation of PlusFunds as of September 30, 2005. Ms. Lipton's claimed valuation of $196 million[18] ignores a number of critical factors that would have severely eroded any value of PlusFunds, and that any hypothetical willing buyer would have considered in evaluating whether to purchase PlusFunds. Ms. Lipton's valuation, for example, fails to account for the significant ties between PlusFunds and Refco, including the benefits that PlusFunds and the SPhinX funds received from their affiliation with Refco, and the impact, as of the valuation date, of Refco's insolvency (as alleged by Plaintiffs) on PlusFunds' business and potential for future earnings. Although Ms. Lipton purports to base her valuation on a hypothetical willing buyer/willing seller analysis,[19] she fails to address the impact that knowledge of (1) the ties between Refco and principals of PlusFunds and SPhinX, and (2) the risk of the loss of SMFF assets that PlusFunds placed in non-customer-segregated accounts at RCM, would have had on PlusFunds' value. Ms. Lipton also ignores the subsequent disclosure of the Refco fraud and the collapse of PlusFunds' business, which provide evidence of PlusFunds' value as of September 30, 2005. In addition, Ms. Lipton fails to properly evaluate important industry and operational factors – addressed by Professor Stulz in his expert report[20] – that would affect the value of PlusFunds on September 30, 2005.

Further, Ms. Lipton's valuation relies on unreasonable assumptions. Her valuation incorporates excessive projected growth rates for PlusFunds assets under management and profits, and is based on comparisons to non-comparable valuation analyses and non-arm's-length sales of PlusFunds stock in an attempt to corroborate her valuation conclusion. The value of PlusFunds, estimated using comparable transaction valuation mulitples, would be much lower than Ms. Lipton's $196 million valuation conclusion. Ms. Lipton's analysis also improperly ignores events occurring subsequent to 2005 (unrelated to Defendants' alleged conduct) that would have significantly diminished any value of PlusFunds, including the financial crisis and recession that caused an industry-wide decline of hedge fund assets under management. In short, Ms. Lipton's valuation does not demonstrate that Defendants' alleged misconduct caused any damages arising from the alleged loss in PlusFunds' enterprise value. (See Section IV below.)

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[16] Krys Report on cash balances and transfers in respect of the SPhinX Group of Companies, dated June 29, 2012, paragraph 2.2.
[17] Amended Complaint, paragraph 11.
[18] Lipton report, page 39.
[19] Lipton report, pages 23 and 24.
[20] Expert Report of René M. Stulz, dated August 14, 2012 ("Stulz report").

Finally, Plaintiffs' SMFF damages claim does not account for the conduct of SMFF and its agents that followed the disclosure of the Refco fraud. In their complaints against Defendants, Plaintiffs allege that Defendants caused $263 million in damages to SMFF, which is the amount that SMFF paid to the RCM estate to settle the preference litigation that arose out of SMFF's withdrawal of $312 million from RCM a few days before its bankruptcy. But Plaintiffs have separately alleged that SMFF could have recovered substantially more than the $49 million retained as part of the settlement had it returned the full $312 million to the RCM estate and retained its claims against RCM and other Refco debtors, but that it was unable to do so because of alleged wrongdoing by other individuals and entities associated with SMFF. I have quantified the potential recoveries that SMFF could have obtained from the estates of RCM and Refco, LLC. (See Section V below.)

III. Evaluation of Whether Plaintiffs' Allegations, Taken As True, Support Their Claimed Damages

A. Plaintiffs' allegations regarding the claimed losses to SMFF and PlusFunds

According to Plaintiffs, as of October 10, 2005, approximately $312 million of SMFF's cash was held in non-customer-segregated accounts at RCM. On that date, Refco announced that it had discovered a $430 million receivable owed to it by an entity controlled by Phillip Bennett, Refco's CEO and President, and that Refco's financial statements could no longer be relied upon.[21] On October 12, 2005, PlusFunds, as investment manager to SMFF (and the other SPhinX funds), caused $312 million to be transferred from SMFF's accounts at RCM to its customer-segregated accounts at Refco, LLC, and shortly thereafter, out of Refco altogether.[22] Two months later, after RCM had filed for bankruptcy protection, RCM's Official Committee of Unsecured Creditors commenced an adversary proceeding against SMFF to recover $312 million as a preferential transfer of assets out of RCM's estate.[23]

Between October 12, 2005 and the commencement of the preference litigation in December 2005, SMFF and PlusFunds allowed SMFF investors to redeem over $100 million in funds from SMFF.[24] According to Plaintiffs, these redemptions rendered SMFF unable to return the $312 million to the RCM estate and to obtain, in exchange, a $312 million claim in the RCM bankruptcy.[25] Ultimately, SMFF agreed to return $263 million of the $312 million to RCM's estate and to waive any and all claims against both RCM and any other Refco entities in return for being allowed to retain $49 million.[26] Plaintiffs seek to recover from Defendants both the $263 million in SMFF losses, as well as the alleged lost business enterprise value of PlusFunds, which allegedly lost a significant portion of its assets under management after a "flood of redemptions

[21] Amended Complaint, paragraphs and 7 and 11.
[22] Amended Complaint, paragraphs 12, 133, 135 and 334.
[23] Amended Complaint, paragraphs 11 and 12.
[24] Amended Complaint, paragraphs 508, 510 and 511.
[25] Amended Complaint, paragraphs 510 to 512; Deposition of Kenneth M. Krys, February 21, 2012, pages 97 and 98.
[26] Amended Complaint, paragraph 513; In re: Refco Inc., et al., The Official Committee of Unsecured Creditors of Refco Inc., et al. v. SPhinX Managed Futures Fund SPC, et al. Stipulation and Order of Settlement, dated June 9, 2006 ("Stipulation and Order of Settlement"), paragraphs 1 and 2.

by SPhinX's investors followed disclosure of the Refco fraud," leading PlusFunds to file for bankruptcy protection.[27]

B. Accepting Plaintiffs' allegations, Plaintiffs suffered no damages based on deposits at Refco after October 12, 2004.

I understand that in these cases, Plaintiffs have alleged that SPhinX and PlusFunds continued to deposit and maintain SMFF assets at Refco in reliance upon statements concerning Refco's financial condition in Refco's public filings.[28] Plaintiffs have also alleged that, at the time of the public filings, Refco was insolvent.[29] In addition, Plaintiffs have alleged that, at the time of the public filings, Refco would have been unable to attract or to retain customer deposits had it disclosed its true financial condition in its public filings.[30] Based on that allegation, Refco would have gone out of business once its true financial condition was revealed.[31] I express no opinion in my Report as to the truth or falsity of Plaintiffs' allegations but, solely for the purposes of my Report and the opinions expressed herein, I have assumed those allegations to be true. Accepting Plaintiffs' allegations, whatever assets SMFF had on deposit at the time the Refco fraud was disclosed would have been exposed to loss at RCM, resulting in related harm to PlusFunds.

I further understand that Refco's first public filing at issue in this case was a Form S-4 Registration Statement that Refco filed in connection with its 2004 leveraged buyout transaction, and that Plaintiffs allege that Defendants substantially assisted Refco in misrepresenting the company's true financial condition in that Registration Statement.[32] Thus, to measure the damages that could have been caused by Defendants' alleged misconduct, one must analyze the difference between the amount of cash SMFF had on deposit at RCM, and thus was exposed to loss, on October 12, 2004 and the amount that SMFF had on deposit at RCM, and thus was exposed to loss, at the time the Refco fraud was revealed in October 2005 (approximately $312 million).

[27] Amended Complaint, paragraphs 1, 12 and 13; Deutsche Bank Complaint, paragraph 1.
[28] Amended Complaint, paragraphs 189, 191 and 1317; Deutsche Bank Complaint, paragraph 8.
[29] See, for example, Amended Complaint, paragraphs 26 and 274.
[30] Amended Complaint, paragraph 1223.
[31] Amended Complaint, paragraphs 202 and 337.
[32] Amended Complaint, paragraphs 274 to 276; Deutsche Bank Complaint, paragraphs 203 and 204.

The SMFF daily cash balance at RCM on October 12, 2004 was $586 million.[33] Thus, according to Plaintiffs' allegations, if Defendants had disclosed the Refco fraud in the October 12, 2004 S-4 Registration Statement, SMFF would have been exposed to a loss of $586 million, instead of $312 million. This increased exposure would have been at a time when, according to Plaintiffs, Refco was already insolvent.[34] Thus, based on Plaintiffs' allegations, the increased exposure would have resulted in greater harm to SMFF than actually occurred, and would have resulted in the same "flood of redemptions by SPhinX's investors" and same harm to PlusFunds as actually occurred.[35] Accordingly, neither SMFF nor PlusFunds suffered any damages by its alleged reliance on alleged misstatements concerning Refco's financial condition in the October 12, 2004 Registration Statement.

IV. Evaluation of Ms. Lipton's Determination of PlusFunds' Enterprise Value of $196 million

A. Summary of Ms. Lipton's calculation that PlusFunds' enterprise value was $196 million

Plaintiffs' expert, Ms. Lipton, opines on the fair market value of PlusFunds as of September 30, 2005. In her report, Ms. Lipton makes no comments on the issue of liability, but rather approaches her valuation "assuming that the Plaintiffs can establish a right of recovery," an assumption that she states "is necessary as a basis for [her] analysis."[36] Ms. Lipton explains that she selected September 30, 2005 as a valuation date because that is "the month-end immediately prior to the date that Refco disclosed that its financial statements could not be relied on."[37] Ms. Lipton concludes that the Fair Market Value of PlusFunds as of that valuation date was $196 million.[38]

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[33] Krys Report on cash balances and transfers in respect of the SPhinX Group of Companies, dated June 29, 2012, paragraph 2.2 and Appendix 6. The schedule of daily total account balances for SMFF's accounts at RCM reflects that the balance at RCM was greater than $312 million from October 2004 until shortly before the Refco fraud was discovered in October 2005.
[34] See, for example, Amended Complaint, paragraph 26.
[35] Amended Complaint, paragraph 12.
[36] Lipton report, page 1.
[37] Lipton report, page 23.
[38] Lipton report, page 41.

B. PlusFunds' financial condition from 2002 through 2005

1. Brief Description of PlusFunds and the creation of the SPhinX funds

PlusFunds Ltd., referred to in these cases as "Old PlusFunds," was founded in 1998 by Christopher Sugrue and Diego Winegardner, both of whom had worked previously at Refco.[39] The company sought to develop business technology and infrastructure in order to provide hedge fund investors with accurate valuations of investments on a daily basis.[40]

On December 20, 2001, PlusFunds Ltd. entered into an exclusive license contract with Standard & Poor's ("S&P") to develop and market hedge fund investment products designed to achieve returns consistent with the S&P Hedge Fund Index, a composite index measuring major hedge fund strategies, and related indices.[41]

PlusFunds Ltd. was ultimately an unsuccessful business. According to Mr. Winegardner, during 2001 the company had burned through most of its capital and there were general concerns about whether it would survive.[42] Former PlusFunds director Mark Kavanagh, who was an investor in Old PlusFunds, testified that by the time Old PlusFunds "developed a reasonably working model," the company had "run out of money and it failed."[43] Mr. Kavanagh further testified that "it seemed unlikely that what they were doing was actually going to be either 100% workable or profitable. So the company retracted, retrenched, cut back dramatically its overhead and its staff and very nearly went into complete, final liquidation…."[44]

Many of the individuals who were involved in Old PlusFunds remained involved in the new PlusFunds – PlusFunds Group, Inc. For example, both Mr. Sugrue and Mr. Winegardner, the co-founders of Old PlusFunds, remained actively involved in the new entity.[45] Mr. Kavanagh, Randall Yanker, and Doug Morriss, who were on the board of Old PlusFunds, were also on the

[39] Deposition of Diego P. Winegardner, February 9, 2012, pages 10 and 49 to 51; SPhinX, Ltd. Offering Memorandum, dated July 12, 2002 (BAWAG-SPX 0038635 to 709 at 669); Amended Complaint, paragraph 95.
[40] Amended Complaint, paragraph 95.
[41] License Agreement between Standard & Poor's and PlusFunds Ltd., dated December 20, 2001 (BAWAG-SPX 0043782 to 811); Amended Complaint, paragraphs 97 and 98.
[42] Deposition of Diego P. Winegardner, February 9, 2012, pages 58 to 59.
[43] Deposition of Mark Kavanagh, May 16, 2012, page 20.
[44] Deposition of Mark Kavanagh, May 16, 2012, page 20; Deposition of Michael Anthony Mikytuck, June 12, 2012, pages 31 and 32.
[45] Deposition of John S. Wehrle, March 5, 2012, pages 60 to 64.

board of PlusFunds Group, Inc.[46] Members of Old PlusFunds management, including Patrick McMahon and Christopher Rose, were also involved in the new entity.[47]

In March 2002, PlusFunds Group, Inc. was incorporated. PlusFunds Group, Inc. acquired all of the assets and liabilities of Old PlusFunds.[48] Old PlusFunds' S&P license was assigned to PlusFunds Group, Inc.[49]

Beginning in the spring of 2002, PlusFunds created the SPhinX funds[50] and served as its investment manager.[51] "SPhinX" was an acronym for "**S&P H**edge Fund **In**de**x**."[52] The SPhinX funds were a group of investment vehicles comprised of separate investment portfolios corresponding to investment strategies represented by the S&P Hedge Fund Index. The SPhinX funds were designed to achieve returns consistent with the performance of the S&P Hedge Fund Index.[53]

According to Plaintiffs' allegations, from the SPhinX funds' inception, there were significant ties between and among the funds, their creator and investment manager PlusFunds, and Refco. Refco, for example, arranged for a $70 million investment in SMFF by Sentinel Bank and Trust of the Bahamas in late 2002.[54] In exchange for Refco's involvement in obtaining this seed capital, PlusFunds agreed that Refco would serve as the "exclusive global execution and clearing brokers" for SMFF, so long as at least half of the seed capital remained invested in SMFF.[55] As Plaintiffs further allege, in connection with its facilitating the seed capital for SMFF, Refco agreed with PlusFunds and SPhinX that it would serve as a distributor for SPhinX products, creating investment products "through which Refco customers would invest in SPhinX Strategy Fund Ltd. and SMFF."[56]

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[46] Deposition of Diego P. Winegardner, February 9, 2012, pages 56 to 57 and 64; Amended Complaint, paragraph 135.
[47] Deposition of Diego P. Winegardner, February 9, 2012, page 58; Deposition of Howard C. Rose, May 31, 2012, pages 41 to 42 and 45 to 46.
[48] PlusFunds Group, Inc. Financial Statements, December 31, 2003, pages 6 and 7 (PLF-NYS-02-00727851 to 865 at 857 and 858).
[49] Amendment No. 1 to License Agreement between Standard & Poor's and PlusFunds Group Inc., dated May 17, 2002 (BOMK_00120150 to 155 at 154).
[50] Amended Complaint, paragraph 100.
[51] Investment Management Agreement between SPHINX, Ltd. and PlusFunds Group Inc., dated July 12, 2002 (EXP-ParB-0003983 to 992).
[52] Amended Complaint, paragraph 100.
[53] See, for example, SPhinX, Ltd. Offering Memorandum, dated July 12, 2002 (BAWAG-SPX 0038635 to 709 at 646).
[54] Amended Complaint, paragraph 140.
[55] Amended Complaint, paragraph 142; Letter Amendment, dated December 10, 2002 (PLF-NYS01-01708446 to 456 at 446 to 448).

Moreover, it appears that PlusFunds agreed to the sweep arrangement, whereby SMFF's excess cash from Refco, LLC was regularly transferred to RCM, as a condition of obtaining this seed capital investment through Refco.[57] For example, Mr. Sugrue remarked, in a December 2002 email to PlusFunds' then-CEO, COO, and Director of Operations,[58] that "going forward cash is [to be] held at Refco Capital Mkts.," and that if PlusFunds did not sweep SMFF cash from Refco, LLC to RCM, "I will be forced to send back" the seed capital.[59] Within days, PlusFunds informed SMFF's portfolio managers that "[e]ffective December 10, 2002, funds not needed for margin (i.e. excess cash in the Portfolio Fund Series) will be held at Refco Capital Markets Ltd."[60]

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[56] Amended Complaint, paragraph 144.

[57] Deposition of Santo C. Maggio, December 15, 2009, pages 489 to 490 and 662 to 664; December 9, 2002 email (PLF-CR04-0171969 to 970); PlusFunds letter to SPhinX Strategy Fund Ltd. Manager, dated December 6, 2002 (PLF-NYS01-03942388 to 389 at 389).

[58] Deposition of Gabriel Bousbib, March 22, 2012, page 17; Deposition of Howard C. Rose, May 31, 2012, pages 46 to 47, 85 and 91.

[59] December 9, 2002 email (PLF-CR04-0171969 to 970).

[60] PlusFunds letter to SPhinX Strategy Fund Ltd. Manager, dated December 6, 2002 (PLF-NYS01-03942388 to 389 at 389).

2. PlusFunds' income statement for the period ended December 31, 2002

Table 1
PlusFunds Income Statement
March 25 to December 31, 2002[61]

Management Fees	$1,209,855
Other Revenues	122,730
Total Revenues	$1,332,585
License Fees	$ 479,925
Compensation and Benefits	1,105,383
Other Expenses	570,321
Total Expenses	$2,155,629
Operating Income/(Loss)	$ (823,044)
Other Income	1,652,767
Deferred (Taxes) Benefit	-
Net Income/(Loss)	**$ 829,723**

In its initial (partial) year of operations, PlusFunds generated revenues of $1.3 million but reported an operating loss of approximately $800,000. The reported revenues relate to only a short period of time, as PlusFunds launched its first product (described in its financial statements as a fund of funds that tracked the S&P hedge fund index) in July 2002 and its second product (described in its financial statements as a fund of funds that tracked one of the substrategies of the S&P hedge fund index) in December 2002.[62] Other income of $1.7 million[63] allowed PlusFunds to report net income in 2002 of approximately $800,000.

[61] PlusFunds Group, Inc. Independent Auditors' Report Financial Statements For the Period March 25, 2002 to December 31, 2002, page 3 (AL425759 to 773 at 763). For purposes of my Report, I have assumed that the PlusFunds financial statements are true and correct.
[62] PlusFunds Group, Inc. Independent Auditors' Report Financial Statements For the Period March 25, 2002 to December 31, 2002, page 6 (AL425759 to 773 at 766).
[63] On August 9, 2002, PlusFunds Group, Inc. acquired the assets and liabilities of PlusFunds Ltd. One of the obligations acquired was the fair value of a lease for certain premises located in New York. In September 2002 this obligation was settled and resulted in a gain of $1,652,767 (see PlusFunds Group, Inc. Independent Auditors' Report Financial Statements For the Period March 25, 2002 to December 31, 2002, page 12 (AL425759 to 773 at 772)).

As of December 31, 2002, PlusFunds reported $369 million of Assets Under Management ("AUM").[64] Of this amount, $70 million came from seed capital arranged by Refco.[65]

3. PlusFunds' income statement for the year ended December 31, 2003

Table 2
PlusFunds Income Statement - 2003[66]

Management Fees	$ 6,188,252
Other Revenues	273,382
Total Revenues	$ 6,461,634
License Fees	$ 2,937,169
Compensation and Benefits	2,925,521
Other Expenses	1,246,799
Total Expenses	$ 7,109,489
Operating Income/(Loss)	$ (647,855)
Other Income	-
Deferred (Taxes) Benefit	800,989
Net Income/(Loss)	**$ 153,134**

PlusFunds' results for the full year 2003 reflected revenues of $6.5 million. However, it again reported an operating loss (approximately $650,000), due primarily to substantial license fees, compensation and benefits. A tax benefit of approximately $800,000 caused PlusFunds to report net income of approximately $150,000.

[64] PlusFunds Group, Inc. Independent Auditors' Report Financial Statements For the Period March 25, 2002 to December 31, 2002, page 6 (AL425759 to 773 at 766).
[65] PlusFunds Group, Inc. Independent Auditors' Report Financial Statements For the Period March 25, 2002 to December 31, 2002, page 6 (AL425759 to 773 at 766); Schedule of PlusFunds' Total Subscriptions and Redemptions (PLF-NYS01-07668327 to 504 at 327 to 329); Amended Complaint, paragraph 140.
[66] PlusFunds Group, Inc. Financial Statements, December 31, 2003, page 3 (PLF-NYS02-00727851 to 865 at 854).

PlusFunds also reported an increase in AUM in 2003: from $369 million at year-end 2002 to $970 million at year-end 2003.[67]

4. PlusFunds' income statement for the year ended December 31, 2004

Table 3
PlusFunds Income Statement – 2004[68]

Management Fees	$ 25,235,653
Other Revenues	859,359
Total Revenues	$ 26,095,012
License Fees	$ 12,330,482
Compensation and Benefits	7,538,838
Other Expenses	2,456,320
Total Expenses	$ 22,325,640
Operating Income/(Loss)	$ 3,769,372
Other Income	-
Deferred (Taxes) Benefit	(1,777,962)
Net Income/(Loss)	**$ 1,991,410**

In 2004, PlusFunds' revenues increased from $6.5 million to $26 million. AUM at year-end increased from $970 million to $2.9 billion.[69]

PlusFunds reported an operating profit (approximately $3.8 million) for the first time. Net income increased from $153,000 to approximately $2 million.

[67] PlusFunds Group, Inc. Financial Statements, December 31, 2004, page 6 (PLF-NYS01-00616699 to 715 at 705).
[68] PlusFunds Group, Inc. Financial Statements, December 31, 2004, page 3 (PLF-NYS01-00616699 to 715 at 702).
[69] PlusFunds Group, Inc. Financial Statements, December 31, 2004, page 6 (PLF-NYS01-00616699 to 715 at 705).

5. PlusFunds' income statement for the nine months ended September 30, 2005

Table 4
PlusFunds Income Statement
January 1 to September 30, 2005[70]

Management Fees	$ 24,190,575
Other Revenues	845,261
Total Revenues	$ 25,035,836
License Fees	$ 11,871,191
Compensation and Benefits	6,953,760
Other Expenses	6,289,457
Total Expenses	$ 25,114,408
Operating Income/(Loss)	$ (78,572)
Other Income	-
Deferred (Taxes) Benefit	33,188
Net Income/(Loss)	**$ (45,384)**

During the first nine months of 2005 PlusFunds generated $25 million in revenues but reported an operating loss of approximately $79,000. This loss was due in part to a substantial increase in other expenses.[71] The tax benefit reduced the net loss to approximately $45,000.

By October 1, 2005, shortly before the Refco fraud was discovered, PlusFunds AUM had declined to $2.4 billion.[72]

As of December 31, 2005, PlusFunds AUM had declined further to $2 billion and as of February 1, 2006, PlusFunds AUM was $1.3 billion.[73] PlusFunds filed for bankruptcy on March 6, 2006.[74]

[70] Internal Financial Statements for PlusFunds Group, Inc. for the year ended December 31, 2005 (EXP-ParB-0004695 to 702).
[71] Other expenses includes outside services such as legal, consulting and accounting services (EXP-ParB-0004695 to 702). According to Ms. Lipton, these expenses include $3.7 million of non-recurring legal fees related to OTC litigation and a stock dispute. (Lipton report, page 32, Note [4], and Exhibit 5, Note [1])
[72] Lipton report, Exhibit 3.
[73] PlusFunds Assets under Management – 2006 (PLF-KEAT-0377778 to 782 at 782).
[74] Amended Complaint, paragraph 13.

6. PlusFunds' demise in late 2005 and early 2006

As discussed above, upon disclosure of the Refco fraud, more than $312 million in SMFF cash that PlusFunds had caused to be held in non-customer-segregated accounts at RCM was exposed to loss. A flood of redemptions in the SPhinX funds ensued, which, Plaintiffs allege, led the SPhinX funds to be placed in liquidation proceedings and PlusFunds to file for bankruptcy protection.[75]

C. Analysis of Ms. Lipton's valuation of PlusFunds

Ms. Lipton did not perform a proper valuation of PlusFunds as of September 30, 2005. Her valuation of PlusFunds suffers from three major categories of errors, all of which render her opinion unreliable. First, although Ms. Lipton claims to have determined the fair market value of PlusFunds that would reflect the price at which PlusFunds could have been sold to a hypothetical willing buyer with "reasonable knowledge of the relevant facts," her analysis ignores critical facts and information, known or knowable at the valuation date, concerning the relationship between PlusFunds and Refco.[76] In particular, her analysis ignores both the influence of the PlusFunds-Refco relationship on PlusFunds' past performance, as well as the impact that the relationship would have on its future performance, including the effect that a Refco bankruptcy would have on PlusFunds' value. In addition, Ms. Lipton fails to properly evaluate industry and operational factors that would affect the value of PlusFunds.

Second, Ms. Lipton's valuation is based on unrealistic and unsupported assumptions. The growth assumptions used by Ms. Lipton in her calculation of PlusFunds' enterprise value using the "income approach" are overstated and inconsistent with PlusFunds' historical growth. The value of PlusFunds, estimated using comparable transaction valuation multiples, would be much lower than Ms. Lipton's $196 million valuation conclusion. And Ms. Lipton places improper reliance on non-comparable third-party valuation analyses and non-arm's-length PlusFunds share transactions prior to the valuation date.

Third, regardless of any value of PlusFunds that may have existed at September 30, 2005, it does not follow that the proper measure of PlusFunds' damages is the loss of that value. I express no opinion on legal issues but, to the extent the applicable measure of damages is based on the difference between (1) the economic position Plaintiffs would have been in had Defendants acted as Plaintiffs allege they should have and (2) the actual economic position of Plaintiffs at the time of trial, Ms. Lipton's report fails to undertake such an analysis. Under that standard, any damages alleged from a loss of PlusFunds' enterprise value should consider the impacts to PlusFunds' business of economic events that have occurred since September 30, 2005. Ms. Lipton's calculation of enterprise value does not determine, as of the date of trial, the difference between PlusFunds' actual enterprise value and what PlusFunds' enterprise value would have been but for Defendants' alleged misconduct. Any PlusFunds enterprise value that existed as of September 30, 2005 would have been significantly diminished by subsequent events unrelated to Defendants' alleged misconduct.

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[75] Amended Complaint, paragraphs 5, 6, 12, 13 and 15.
[76] Lipton report, page 23.

1. Ms. Lipton's analysis fails to take into account "relevant facts" and "information that was known or knowable" as of the valuation date.

In her report, Ms. Lipton states that it is "standard valuation practice," in the valuation of a business's enterprise value, to "take[] into account information that was known or knowable as of the valuation date."[77] In addition, the definition of Fair Market Value – the standard of value used by Ms. Lipton in her report – assumes that both the buyer and seller "have reasonable knowledge of the relevant facts."[78]

Specifically, fair market value is "the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts."[79] This standard assumes reasonable knowledge of the relevant facts, whether hidden or not. Accordingly, the standard does not change in situations where a seller, or a third party, has acted to conceal relevant facts. Therefore, in evaluating Ms. Lipton's report, I express no view on whether a hypothetical willing buyer would, in fact, have been able to learn all the relevant facts given the nature of the Refco fraud, the efforts by Refco executives to conceal the fraud, and the role of PlusFunds insiders in connection with Refco's operations and misconduct.

[77] Lipton report, page 23.
[78] Lipton report, page 23.
[79] ASA Business Valuation Standards, page 27.

However, whether or not the information could have been learned by a hypothetical willing buyer, Ms. Lipton's standard of value assumes such knowledge. But, as noted below, she then fails to take into consideration how that knowledge would affect a hypothetical willing buyer's evaluation of PlusFunds. For example, she fails to take into consideration relevant information that was allegedly possessed by the hypothetical willing seller, PlusFunds' controlling shareholders.[80] Ms. Lipton also fails to take into account the full nature of PlusFunds' (and the SPhinX funds') relationship with Refco in determining the fair market value of PlusFunds as of September 30, 2005.

Accepting Plaintiffs' allegations, a hypothetical willing buyer considering the purchase of PlusFunds on September 30, 2005, would have had to consider what would happen to PlusFunds upon disclosure that it had allowed hundreds of millions of dollars of funds belonging to investors in the SPhinX funds – from which substantially all of PlusFunds' revenues were derived[81] – to be placed in non-customer-segregated accounts at RCM at a time when, according to Plaintiffs, Refco was insolvent. According to Plaintiffs, what in fact happened was that PlusFunds became worthless.[82] As Ms. Lipton observes, referencing a Tax Court opinion, such later-occurring events may be taken into account if they provide evidence of fair market value as of the valuation date.[83] Ms. Lipton's analysis ignores these relevant known or knowable facts, and as a result of this, and the other flaws in her report, her valuation opinion is unreliable.

a. Litigation risk

One of the "known and knowable" facts that Ms. Lipton fails to consider is the litigation risk to PlusFunds associated with PlusFunds' relationship with Refco. A hypothetical willing buyer of PlusFunds, with reasonable knowledge of the relevant facts, would know that (1) PlusFunds had allowed Refco to transfer SMFF cash to RCM, where the cash was in non-customer-segregated accounts[84] (conduct that has been termed the "SPhinX fraud"[85]), and (2) Refco had extended approximately $200 million in loans to PlusFunds' principals in order for the

[80] See, for example, Amended Complaint, paragraph 5.
[81] Amended Complaint, paragraph 136.
[82] Amended Complaint, paragraph 1.
[83] Lipton report, pages 23 and 24.
[84] Amended Complaint, paragraphs 5 and 6.
[85] Kenneth M. Krys, et al. v. Christopher Sugrue, et al., Kenneth M. Krys, et al. v. Robert Aaron, et al. and Kenneth M. Krys, et al. v. Richard Butt Report and Recommendation of the Special Master on the Omnibus Issue of Standing, dated February 3, 2010, page 3.

principals to buy out PlusFunds' minority shareholders, and that the transaction, according to Plaintiffs, was intended to transfer control of PlusFunds to Refco so that SPhinX assets would remain at RCM for Refco's use.[86] Plaintiffs allege that these decisions by principals of SPhinX and PlusFunds were fraudulent[87] and that the PlusFunds controlling shareholders knew about the Refco fraud itself.[88]

These factors would give rise to significant concerns on the part of a hypothetical willing buyer as to litigation exposure that could render PlusFunds unable to continue in business. In fact, before the SPhinX liquidators purchased PlusFunds' causes of action[89], SPhinX itself filed a lawsuit against PlusFunds principals (PlusFunds itself had by then filed for bankruptcy protection[90]) in which it alleged that PlusFunds had engaged in misconduct that led to SMFF's losses in the Refco bankruptcy. The allegations made by SPhinX included the following:

- "PFGI [PlusFunds] and the PFGI Directors violated their duties and obligations to segregate and keep segregated the assets of the SPhinX SPCs when it approved the movement of funds from Refco LLC to RCM."
- "PFGI and the PFGI Directors approved and presented to the SPhinX Board of Directors" financial statements that they knew to be "false and misleading."
- "PFGI and the PFGI Directors" also "failed adequately to examine and assure the creditworthiness of RCM."
- "PFGI admitted, on or about December 2, 2005, that the use of PFGI service providers by, among others, Sugrue, Kavanagh and Owens, to borrow money constituted a conflict of interest" that "also constituted a breach of PFGI's and the PFGI Directors' fiduciary duties to SPhinX."
- "The Suffolk Loans were permeated by fraud and deception, and . . . constituted a fraud on SPhinX and constituted a breach of fiduciary duties owed by PFGI . . .

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86 Amended Complaint, paragraphs 297 to 304.
87 Amended Complaint, paragraphs 1116, 1118, 1122 and 1124.
88 Amended Complaint, paragraphs 5 to 9.
89 Deposition of Kenneth M. Krys, February 21, 2012, pages 171 to 172; In re: PlusFunds Group, Inc., Fifth Amended Plan of Liquidation of PlusFunds Group, Inc. Under Chapter 11 of the United States Bankruptcy Code, dated June 28, 2007, Exhibit 3; In re: PlusFunds Group, Inc., Order (I) Confirming the Debtor's Fifth Amended Plan of Liquidation, dated June 28, 2007, Under Bankruptcy Code Section 1129 and Bankruptcy Rule 3020; (II) Approving Settlements in Connection Therewith; and (III) Granting Related Relief, dated August 7, 2007, page 14.
90 Amended Complaint, paragraph 13.

[and] the PFGI Directors . . . to SPhinX."[91]

These allegations, made shortly after the valuation date, all pertain to events that took place on or before the valuation date. That litigation would ensue was reasonably foreseeable, on September 30, 2005, to a hypothetical willing buyer with knowledge of the relevant facts.

Even prior to the commencement of that lawsuit, SPhinX had asserted a claim in the PlusFunds bankruptcy, alleging that SPhinX was entitled to at least $312 million from the PlusFunds estate.[92] In a subsequent motion filed in the PlusFunds bankruptcy proceedings, SPhinX alleged that "in the course of its duties as investment manager to the SPhinX Funds," PlusFunds "breached various obligations and duties to the SPhinX Funds" that resulted in the loss of hundreds of millions of dollars of SPhinX assets.[93] Similarly, several of the portfolio managers who managed funds within SMFF filed Proofs of Claim in the PlusFunds bankruptcy.[94]

A hypothetical willing buyer would have realized that, unless mitigated, the contingent liabilities associated with PlusFunds' exposure to litigation could exceed the value of PlusFunds' assets. Contingent liabilities such as unresolved litigation can diminish the price at which a business is sold or even render the business unsellable.[95] A hypothetical willing buyer of PlusFunds would have wanted a complete understanding of the company's litigation exposure and how that exposure would impact the company's value. The risk of litigation related to the Refco fraud and/or the SPhinX fraud was significant, yet Ms. Lipton has ignored this risk in determining the enterprise value of PlusFunds.[96]

b. Reputation risk

Another "known and knowable" fact as of the valuation date was the reputational risk PlusFunds faced as a result of the relationship between PlusFunds and Refco and the conduct of

[91] SPhinX, Ltd., et al. v. Christopher Sugrue, et al. Complaint, dated June 8, 2006, paragraphs 50, 52, 56, 88, 89 and 100.
[92] U.S. Bankruptcy Court PlusFunds Group, Inc., PlusFunds Claims Register, dated January 19, 2011, page 30.
[93] In re: PlusFunds Group, Inc., Objection of SPhinX Managed Futures Fund SPC to Debtor's Motion for Order Authorizing Debtor to Cause the Dissolution and Appointment of a Liquidator for SPhinX Investment Fund, L.P. and SPhinX Managed Futures L.P., dated June 1, 2006, page 3.
[94] In re: PlusFunds Group, Inc., Notice of PlusFunds General Trust's Fifth Omnibus Objection to Disallow and Expunge or, in the Alternative, Estimate at Zero, Contingent and/or Unliquidated Claims (for Creditors Listed in "Exhibit A"), dated December 29, 2008, Exhibit A; Schedule of Manager Capacity (EXP-ParB-0004474 to 475).
[95] ASA Information Update Issue 11-21, May 23, 2007, "How Does Litigation Affect Value?"
[96] According to Shannon Pratt, if the possibility of actual or potential lawsuits exists, it should be investigated as thoroughly as possible. (Valuing Small Businesses & Professional Practices, Third Edition, page 110).

various PlusFunds managers. An investment management firm's most valuable assets are intangible[97] – including its performance track record, relationships and reputation. Investment management firms are often paid a percentage of their assets under management, and higher AUM leads to higher profits. A firm's ability to attract investor assets is critical to its success. Since investors desire both safety for their assets as well as competitive returns on their assets, an investment management firm's reputation and track record are very important to its value. PlusFunds did not have a long-term track record of investment performance[98] – its track record covered only about three years (and was preceded by the failed operation of Old PlusFunds under the management of many of the same senior managers of PlusFunds). Thus, its track record would be of less importance and its reputation would be of more importance from a valuation standpoint.

A hypothetical willing buyer of PlusFunds in September 2005 with knowledge of the relevant facts would have realized that the allegedly fraudulent deposit by PlusFunds of hundreds of millions of dollars of SPhinX investor cash in non-customer-segregated, unsecured accounts with an insolvent broker (accepting Plaintiffs' allegations) would lead to significant losses of investor funds and would call into question the actions of PlusFunds management. Major losses at SMFF would have led to a serious erosion in PlusFunds' AUM and enterprise value, both because of the direct losses to SMFF and the ensuing reputational harm to PlusFunds based on the manner in which PlusFunds had conducted its business.

The reputational harm to PlusFunds would have been exacerbated by the significant ties between PlusFunds and Refco. These ties were, in fact, highlighted by the financial press in the wake of the Refco bankruptcy.[99] PlusFunds' chairman, Mr. Sugrue, was a former Refco employee.[100] PlusFunds was retained by RefcoFund Holdings, LLC to be a subadvisor to the

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[97] Ms. Lipton's analysis of "comparable" companies in Exhibit 8 of her report indicates that investment management firm enterprise values significantly exceed the book values of their tangible assets. As an example, the book value of BlackRock, Inc.'s tangible assets at September 30, 2005 was $1.2 billion (see EXP-ParB-0001861 to 1901) and its enterprise value according to Ms. Lipton was $6.0 billion (see Exhibit 8 to Lipton report).
[98] SPhinX, Ltd. Offering Memorandum, dated July 12, 2002 (BAWAG-SPX 0038635 to 709 at 669 and 677).
[99] The Wall Street Journal, December 12, 2006, "Hedge Fund Managers Are Furious Over Effort to Sell Trading Histories"; The Baltimore Sun, January 10, 2006, "Rydex firm considers merger of two funds; Action is linked to collapse of Refco".
[100] SPhinX, Ltd. Offering Memorandum, dated July 12, 2002 (BAWAG-SPX 0038635 to 709 at 669).

S&P Managed Futures Index Fund, LP.[101] Refco Capital, LLC loaned $158 million to Suffolk, LLC, an entity affiliated with Messrs. Sugrue, Kavanagh and Owens.[102] Mr. Sugrue and others used the Suffolk loan proceeds to purchase most of the shares of PlusFunds owned by minority shareholders.[103] In addition, Refco, its chairman Mr. Bennett, and Thomas Hackl were the alleged sources of the $70 million in seed capital for SMFF.[104] In exchange for the seed capital, PlusFunds committed to use Refco as SMFF's exclusive execution and clearing broker as long as half of the seed capital remained invested in SMFF.[105]

Given the Refco scandal, PlusFunds' failure to ensure customer-segregation of SPhinX investor assets at RCM would have led to increased reputational harm to PlusFunds. Plaintiffs have alleged that SPhinX's corporate documents and offering, marketing and promotional materials indicated that SPhinX's customer assets would be protected in customer-segregated accounts, "ring-fenced" from claims against the other segregated portfolios and immune from claims of creditors of the prime broker or custodian of SPhinX's assets.[106] (I offer no opinion on whether this reading of these materials is accurate, but for purposes of my Report, I assume this allegation to be true.) Accepting Plaintiffs' allegations, PlusFunds' failure to comply with these alleged promises, instead transferring SMFF cash, on a regular basis, to non-customer-segregated accounts at RCM,[107] would have called into question the actions of PlusFunds management.

Once the SMFF exposure to Refco was revealed, PlusFunds in fact suffered reputational harm and investors fled. PlusFunds' net redemptions totaled over $220 million in October 2005 and over $200 million in November 2005. Between October 2005 and March 2006 (when PlusFunds filed for bankruptcy), net redemptions totaled nearly $1.4 billion.[108] Ms. Lipton fails to consider these reputational risks in her valuation of PlusFunds.

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[101] The Official Committee of Unsecured Creditors of Refco Inc. et al., on behalf of Refco Capital Markets, Ltd. v. SPhinX Managed Futures Fund SPC, et al. Complaint, dated December 16, 2005, paragraph 13.
[102] Amended Complaint, paragraphs 297 and 299.
[103] Amended Complaint, paragraphs 297 and 299.
[104] Amended Complaint, paragraphs 41 and 140.
[105] Amended Complaint, paragraph 142; Letter Amendment, dated December 10, 2002 (PLF-NYS01-01708446 to 456 at 446).
[106] Amended Complaint, paragraph 3; see for example, SPhinX, Ltd. Offering Memorandum, dated July 12, 2002 (BAWAG-SPX 0038635 to 709 at 672, 688 and 694).
[107] PlusFunds letter to SPhinX Strategy Fund Ltd. Manager, dated December 6, 2002 (PLF-NYS01-03942388 to 389 at 389).
[108] Schedule of PlusFunds' Total Subscriptions and Redemptions (PLF-NYS01-07668327 to 504).

c. Risk of loss of the S&P license

Another "known and knowable" fact that Ms. Lipton fails to consider is the risk PlusFunds faced with respect to its S&P license. PlusFunds' business model and value depended on its License Agreement with S&P.[109] The company derived the right to use the trade name "SPhinX" in connection with the S&P Hedge Fund Index under the S&P License Agreement.[110] Mr. Kavanagh described S&P as "our single most important relationship," remarking that "without that [license] we didn't exist."[111] A hypothetical willing buyer of a business whose value is derived from a single license agreement would analyze and evaluate that agreement, including the risks of losing the license.

The S&P License Agreement allowed for either party to terminate upon a reasonable demonstration that continued performance of the agreement might harm the reputation or goodwill of the terminating party.[112] Mr. Kavanagh testified that the license "could be removed from us, literally on – I would not like to use the word the 'whim' of S&P but on a belief from S&P that their brand was at risk of reputational damage."[113] As Mr. Owens testified, "S&P had the unfettered right to terminate that license agreement, should there be reputational harm."[114]

A hypothetical willing buyer, once aware of PlusFunds' alleged involvement in fraudulent conduct relating to Refco, would have recognized the substantial risk of S&P terminating the License Agreement upon disclosure of the fraud. The loss of the License Agreement would have had a significant negative impact on the value of PlusFunds. Given the existence of the Refco fraud, the risk of S&P terminating the License Agreement was significant, yet Ms. Lipton has ignored this risk as well in determining an enterprise value of PlusFunds.

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[109] Deposition of Brian Owens, April 19, 2012, pages 320 and 416.
[110] PlusFunds Group, Inc. Financial Statements, December 31, 2004, page 16 (PLF-NYS01-00616699 to 715 at 715).
[111] Deposition of Mark Kavanagh, May 17, 2012, pages 350 to 351.
[112] S&P could also terminate the License Agreement upon 90 days prior written notice to PlusFunds if S&P elected to discontinue the compilation, maintenance and calculation of the S&P Hedge Fund Index (License Agreement between Standard & Poor's and PlusFunds Ltd., dated December 20, 2001 (BAWAG-SPX 0043782 to 811 at 787 to 789)).
[113] Deposition of Mark Kavanagh, May 17, 2012, page 351.
[114] Deposition of Brian Owens, April 19, 2012, page 320.

d. Risks associated with adjusting fund performance data to account for losses due to the fraud

One of the key drivers of the success of an investment management firm is its long-term investment performance. In seeking to attract investor funds, investment management firms will publish or disclose historical performance data. These data will set forth actual returns over various time periods, and may contain sophisticated analyses reflecting risk exposure undertaken to generate such returns. Both the return on investment achieved, and the historical risk profile, will be adversely affected if the fund incurs significant losses of investor assets. That negative effect, in turn, will negatively affect the ability of the fund to attract investment. If an investment manager loses investor funds, its overall return on investment performance, and its historical risk profile, will be adversely affected. This constitutes a significant competitive disadvantage compared to funds that achieved comparable returns without losing customer assets.

In the course of its three-year history, PlusFunds and/or SPhinX reported the investor returns achieved in the various funds that it managed. PlusFunds also published or disclosed data reflecting the risk exposure of the funds. These data were available to existing and potential investors when making decisions about whether to keep their assets at PlusFunds and whether to make new investments in PlusFunds-managed funds.[115] As set forth in the Stulz report, the S&P Hedge Fund Index had underperformed four of the five indices identified as competitors through 2003, and PlusFunds' CEO described the performance through May 31, 2004 as "paltry."[116]

While PlusFunds reported the investment performance of the funds it managed, it did not report the potential loss associated with hundreds of millions of dollars of investor funds in non-customer-segregated accounts at the unregulated affiliate of an insolvent broker (accepting Plaintiffs' allegations). Ms. Lipton's standard of value assumes that a hypothetical willing buyer possesses knowledge of all relevant facts. Under that standard, a hypothetical willing buyer on September 30, 2005, must be assumed to have knowledge of PlusFunds' alleged involvement in fraudulent conduct relating to Refco and the allegedly improper deposit of more than $300 million in SPhinX cash into unsecured, non-customer-segregated accounts in an insolvent Refco entity.[117] Any such hypothetical willing buyer would have recognized that PlusFunds' ability to attract future AUM would be impaired because the historical investment performance figures used to attract investment would need to reflect the loss of close to $300 million.

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[115] See, for example, SPhinX, Ltd. Financial Statements and Supplementary Information For The Year Ended December 31, 2004 (BOMK_00008324 to 370 at 336 to 339); SPhinX, Ltd. Offering Memorandum, dated July 12, 2002 (BAWAG-SPX 0038635 to 709 at 697).

[116] Stulz report, paragraph 60; Memorandum from Gabriel Bousbib to Board of Directors re: Period March 31 – May 31, 2004, dated June 1, 2004 (PLF-GB-0052775 to 777 at 776).

To put this in context, PlusFunds in 2005 had total AUM of approximately $2.4 billion.[118] The SPhinX losses associated with Refco's bankruptcy were, net of the preference settlement, $263 million,[119] or over 10% of the total AUM. This loss meant that even if PlusFunds achieved superior returns on other portions of the AUM, the overall performance could lag.[120] The risk of impairment of PlusFunds' ability to attract additional AUM resulting from this lag in investment performance was significant. Ms. Lipton has ignored this risk as well in determining the enterprise value of PlusFunds.

e. Loss of benefits from the PlusFunds-Refco relationship

Ms. Lipton's valuation fails to take into account the significant ties between PlusFunds and Refco, as described in Plaintiffs' complaints, which played an important role in the performance of PlusFunds from the SPhinX funds' inception until Ms. Lipton's valuation date of September 30, 2005.[121] Using the fair market value standard that Ms. Lipton claims to apply, a hypothetical willing buyer of PlusFunds would have understood the benefits that PlusFunds obtained through its ties to Refco, such as the seed capital and related credit facility,[122] and the hundreds of millions of dollars that Refco-managed feeder funds had invested in the SPhinX funds[123] (and their impact on PlusFunds' historical revenues derived from AUM). A hypothetical willing buyer would have known that benefits flowing from Refco like these would no longer be available to PlusFunds after Refco's bankruptcy, adversely affecting PlusFunds' value.

[117] See, for example, Amended Complaint, paragraphs 5, 6, 25 and 26.
[118] Lipton report, Exhibit 3.
[119] Amended Complaint, paragraph 14.
[120] Even before accounting for the impact of the SMFF loss of $263 million, for the period July 2002 to September 2005, only four of the nine SPhinX funds out-performed the Barclay Fund of Funds Index and only three of the nine SPhinX funds out-performed the Barclay Hedge Fund Index. (See Exhibit 1.)
[121] Amended Complaint, paragraphs 140, 142, 144, 146 and 152.
[122] Amended Complaint, paragraphs 140 and 304.
[123] See Exhibit 2.

f. Industry and operational factors affecting PlusFunds

Ms. Lipton's valuation fails to properly address or evaluate important industry and operational factors that would affect the value of PlusFunds on September 30, 2005. A number of these factors have been set forth in the Stulz report. According to Professor Stulz, these factors reflected weaknesses in SPhinX's business model that limited its growth potential and could have adversely affected SPhinX's assets under management.[124] Factors identified by Professor Stulz that Ms. Lipton's analysis fails to properly consider include the following:

- The weak foundation for index investing in the hedge fund industry;[125]
- The problems associated with accurately tracking investable hedge fund index performance;[126]
- The high relative cost and competitive disadvantages of tracking funds such as SPhinX compared to replicating funds;[127]
- The risk posed by the liquidity mismatch PlusFunds experienced in 2004 and 2005, and the need to rely upon credit from Refco to address it;[128]
- PlusFunds' inability to manage market risk;[129]
- PlusFunds' failure to adequately manage prime broker credit risk;[130]
- PlusFunds' failure to address risks associated with excess cash;[131] and
- PlusFunds' failure to adhere to, or properly maintain, its own counterparty and credit risk management policies.[132]

Ms. Lipton's report does not identify these factors, nor does she explain why the projections that she has used are reasonable in light of these factors. All of these factors are relevant to the application of the hypothetical willing buyer standard Ms. Lipton claims to apply

[124] Stulz report, paragraph 24.
[125] Stulz report, paragraphs 24, 46 to 49.
[126] Stulz report, paragraphs 24, 52 to 55.
[127] Stulz report, paragraphs 9, 24, 56 to 59.
[128] Stulz report, paragraphs 26, 96 to 117.
[129] Stulz report, paragraphs 27 and 119.
[130] Stulz report, paragraphs 27, 120 to 124.
[131] Stulz report, paragraphs 27, 125 to 132.
[132] Stulz report, paragraphs 27, 133 to 145.

in her report. Ms. Lipton's failure to account for these factors is compounded by her reliance on highly aggressive projections.

g. Ms. Lipton ignores the failed effort to sell PlusFunds in 2006.

According to Ms. Lipton, in determining the enterprise value of PlusFunds at September 30, 2005, she has taken into account information that was known and knowable as of the valuation date, as well as any subsequent events that should properly be considered.[133] However, her analysis does not take into account subsequent events that should be considered.

For example, as discussed by Shannon Pratt, a well-known business valuation expert, subsequent events or conditions that affect the value of an asset can be taken into account if they are reasonably foreseeable on the valuation date.[134] In addition, subsequent events that merely provide evidence of the value of an asset on the valuation date can be taken into account regardless of whether they are foreseeable on the valuation date.[135]

Ms. Lipton fails to consider events that occurred in early 2006, shortly after the valuation date. These events were both reasonably foreseeable at the time of the valuation date, and provide evidence of the value of PlusFunds at the valuation date.

Specifically, as redemptions from the SPhinX funds continued in early 2006, PlusFunds determined that it needed to immediately stabilize its business, and that its best prospect for doing so was to sell its assets as a going concern. However, finding a buyer proved challenging. The auction of substantially all of PlusFunds' assets did not generate a willing and able buyer other than FTVentures. A tentative deal was reached whereby FTVentures would acquire PlusFunds for $2 million plus the assumption of liabilities for $3 million and the Bankruptcy Court approved the agreement. However, on May 1, 2006, FTVentures notified PlusFunds that it was terminating the asset purchase agreement, alleging that PlusFunds had not satisfied conditions precedent to the closing as set forth in the purchase agreement. As a result, PlusFunds closed down its operations.[136]

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[133] Lipton report, page 23.
[134] www.BVLibrary.com, "Should subsequent events be considered in the present value of a business entity?"
[135] www.BVLibrary.com, "Should subsequent events be considered in the present value of a business entity?"

This series of events, ignored by Ms. Lipton in her valuation analysis, illustrates the dramatic negative impact of the disclosure of the fact, known or knowable as of the valuation date, that PlusFunds had allegedly improperly placed more than $300 million in investor funds in non-customer-segregated accounts at the unregulated affiliate of an insolvent broker (accepting Plaintiffs' allegations), and demonstrates that, along with the other flaws in Ms. Lipton's analysis, her valuation opinion is unreliable.

2. Ms. Lipton's valuation is based on unrealistic and unsupported assumptions.

a. The growth assumptions used by Ms. Lipton in her calculation of PlusFunds' value using the "income approach" are overstated and result in an inflated valuation conclusion.

In connection with her income approach to damages, Ms. Lipton projects PlusFunds AUM, revenues and earnings before interest, taxes, depreciation and amortization ("EBITDA") for the period October 1, 2005 to December 31, 2010. Ms. Lipton's projections reflect the following compound annual growth rates in the years 2006 through 2010:

- AUM: 41%
- Revenues: 36%
- EBITDA: 46%[137]

These growth rates are unduly aggressive, even ignoring all the points noted above. Ms. Lipton's analysis assumes that PlusFunds' after-tax cash flow would have grown from $2.8 million in 2006 to $19.2 million in 2010, an increase of almost 600%.[138] And Ms. Lipton's valuation conclusion is extremely sensitive to changes in the projected rates of growth of PlusFunds' AUM, revenues and EBITDA. For example, using Ms. Lipton's valuation model, and adjusting only the projected growth in PlusFunds' AUM to reflect the actual reported industry growth from 2005 to 2010, while accepting all of the other assumptions and factors used by Ms. Lipton in her valuation, results in a value for PlusFunds ranging from $48 to $60 million. (See Exhibits 3 and 4.) This range reflects a value that is approximately 70% to 75% lower than Ms. Lipton's valuation conclusion of $196 million.

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[136] HedgeWorld.com, March 13, 2006, "PlusFunds Sale, Bankruptcy, Add to Refco Soup" and May 22, 2006, "FTVentures Pulls Plug on PlusFunds Purchase"; In re: PlusFunds Group, Inc., Disclosure Statement with Respect to the Fifth Amended Plan of Liquidation of PlusFunds Group, Inc., dated June 28, 2007, pages 7 to 9.
[137] Lipton report, Exhibit 5, Exhibit 6 page 3 of 3 and Exhibit 10, page 1 of 2.
[138] Lipton report, Exhibit 10, page 1 of 2.

The projected growth rates used by Ms. Lipton are inconsistent with the brief history of PlusFunds. While PlusFunds' AUM and revenues increased significantly in 2003 and 2004, its AUM declined in 2005, from $2.9 billion at year-end 2004 to $2.4 billion shortly before the Refco fraud was discovered.[139]

In her valuation report, Ms. Lipton attempts to minimize the importance of this decline in AUM shortly before the valuation date. According to Ms. Lipton, a significant portion of this decline resulted from redemption requests made by Permal Asset Management Inc., whose total AUM had been $202 million in March 2005. According to Ms. Lipton, the decline in AUM during this period was therefore not due to widespread redemptions from the SPhinX funds, but rather reflected, in large part, the withdrawal of a single investor's funds.[140]

Ms. Lipton's analysis is incomplete and her conclusion is unsupported. She does not discuss how many other investors made redemptions in the months July through September 2005 or in what amounts. According to PlusFunds business records cited by Ms. Lipton in her report, during this time period, 46 other investors made net redemptions (i.e., an excess of redemptions over subscriptions) of almost $300 million. (See Exhibit 5.)

b. The value of PlusFunds, estimated using comparable transaction valuation multiples, would be much lower than Ms. Lipton's $196 million valuation conclusion.

Ms. Lipton relies on a Discounted Cash Flow ("DCF") analysis to determine the fair market value of PlusFunds at September 30, 2005.[141] As discussed above, the projections of PlusFunds' AUM, revenues and profits used by Ms. Lipton in that analysis are unduly aggressive and inconsistent with PlusFunds' history as of September 30, 2005. As a result, her valuation conclusion is inflated.

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[139] See Tables 1, 2, 3 and 4 of my Report, and accompanying narrative.
[140] Lipton report, page 12.
[141] Lipton report, pages 1 24 to 27.

As a further test of the reasonableness of Ms. Lipton's valuation conclusion, I have compared Ms. Lipton's opinion of PlusFunds' value to the value that would be derived using "comparable transaction valuation multiples" set forth in Ms. Lipton's report. Based on her review of transactions in the 2002 to 2005 timeframe involving asset management companies, Ms. Lipton notes that median EBITDA multiples observed in comparable transactions ranged from 11.55 to 12.5.[142,143] That is, the enterprise value of comparable companies was observed, for the "median" company, to equal 11.55 to 12.5 times its EBITDA.

At September 30, 2005, PlusFunds' trailing twelve month EBITDA, as adjusted to reflect non-recurring expenses identified by Ms. Lipton, was $5.9 million. (See Exhibit 6.) Using an EBITDA of $5.9 million and valuation multiples of 11.55 to 12.5 times EBITDA, PlusFunds' enterprise value would be estimated to be in a range from $68 to $74 million.[144] This is approximately 60% to 65% less than Ms. Lipton's valuation conclusion of $196 million. This is further evidence that Ms. Lipton's valuation analysis is based on unrealistic and unsupported assumptions, and that her valuation conclusion is inflated.

c. Ms. Lipton places improper reliance on PlusFunds share transactions.

Ms. Lipton asserts in her report that certain PlusFunds share transactions, which took place several months prior to September 30, 2005, and were based on a $250 million valuation of PlusFunds, provide an important source of information as to the value of PlusFunds, and an important benchmark. Ms. Lipton further asserts that both the buyers and sellers in these transactions had access to, and reasonable knowledge of, relevant facts when they negotiated and

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[142] Lipton report, page 33 and Exhibit 7.
[143] While Ms. Lipton calculated comparable transaction valuation multiples based on AUM, revenues and EBITDA, she decided to estimate the terminal value of PlusFunds—its value as of December 31, 2010—using an EBITDA multiple. See Lipton report, page 34 and Exhibit 7.
[144] PlusFunds' estimated enterprise value would be substantially lower if based on PlusFunds' reported trailing twelve month EBITDA (without the adjustments identified by Ms. Lipton).

then completed the sales transactions.[145] Ms. Lipton is wrong. These transactions shed no light on the fair market value of PlusFunds as of September 30, 2005 or any other date.

The PlusFunds share transactions referred to by Ms. Lipton reflect the purchase of shares by Messrs. Sugrue and Kavanagh.[146] As discussed above, Plaintiffs have alleged that these share purchases were a fraudulent, disguised acquisition by Refco of the PlusFunds shares owned by Sugrue and Kavanagh.[147] Thus, accepting Plaintiffs' allegations, these transactions were not arm's-length or market-driven.

d. Ms. Lipton places improper reliance on third-party valuation analyses.

In support of her valuation conclusion, Ms. Lipton cites valuation analyses prepared by UBS (in November 2004) and by Berkshire Capital (as of October 2003) to corroborate the reasonableness of her opinion of value.[148] However, these valuation analyses shed no light on the fair market value of PlusFunds as of September 30, 2005 or any other date, for the reasons discussed below.

The UBS and Berkshire Capital valuation analyses reflect valuation dates from ten months to almost two years prior to Ms. Lipton's valuation date, during periods of rapid AUM growth at PlusFunds. In contrast, PlusFunds' AUM was declining as of September 30, 2005.[149]

The Berkshire valuation date was October 31, 2003.[150] Over the previous 12 months, PlusFunds' AUM had grown from $293 million to $740 million,[151] reflecting a 152% annual growth rate. The UBS valuation date was November 2004.[152] Over the previous 12 months, PlusFunds' AUM had grown from $924 million to $2.9 billion,[153] reflecting a 217% annual growth rate. Based on these historical trends, the UBS and Berkshire valuation analysts would have had some basis for assuming that PlusFunds would continue to experience rapid growth in

[145] Lipton report, pages 19 and 20.
[146] Lipton report, page 16 to 18.
[147] Amended Complaint, paragraphs 9, 16, 303, 328 and 1163.
[148] Lipton report, pages 16 to 21; 38 to 41.
[149] Lipton report, Exhibit 3.
[150] PlusFunds Group, Inc. Valuation Analysis: Sale-of-Control Basis, As of 10/31/03 (BOMK00219176 to 219).
[151] Lipton report, Exhibit 3.
[152] Project Blue Angel Discussion Materials (GB 000733 to 741).
[153] Lipton report, Exhibit 3.

the future. This assumption, all else being equal, would result in a higher valuation and higher implicit valuation multiples.

In contrast, Ms. Lipton's valuation date is September 30, 2005. Over the previous 12 months, PlusFunds' AUM had declined from $2.8 billion to $2.4 billion,[154] reflecting a negative 16% annual growth rate. As a result, a comparison of the valuation multiples implicit in Ms. Lipton's valuations conclusion to the UBS and Berkshire Capital valuation multiples would not "corroborate" the reasonableness of Ms. Lipton's opinion of value.

In addition, and more fundamentally, the UBS and Berkshire Capital valuation analyses cited by Ms. Lipton in her report did not take into account the impact of the alleged misconduct by SPhinX and PlusFunds managers on the value of PlusFunds, because the valuation analysts were apparently not aware of the alleged misconduct. As a result, the conclusions set forth in these analyses did not reflect all of the "relevant facts" about the value of PlusFunds, and do not provide any indication of the fair market value of PlusFunds on the valuation dates, or as of September 30, 2005.

3. Ms. Lipton does not properly consider subsequent events that would impact any PlusFunds damages.

a. Ms. Lipton fails to consider the impact of the financial crisis and other events on any continuing value of PlusFunds.

Regardless of any value of PlusFunds that may have existed at September 30, 2005, it does not follow that the proper measure of PlusFunds' damages is the loss of that value. I express no opinion on legal issues but, to the extent that the applicable measure of damages is based on the difference between (1) the economic position Plaintiffs would have been in had Defendants acted as Plaintiffs allege they should have and (2) the actual economic position of the Plaintiffs at the time of trial, Ms. Lipton's report fails to undertake any such analysis. This analysis should consider the impacts to PlusFunds' business of economic events that have occurred since September 30, 2005. Neither Plaintiffs nor Ms. Lipton have done so. A number of events since 2005 would have diminished any value PlusFunds might have had. Ms. Lipton ignores the impact of these subsequent events in her forecasted cash flows for PlusFunds.

[154] Lipton report, Exhibit 3.

First, the financial crisis of 2007 and 2008, and the recession caused by that crisis, would have likely had a significant negative impact on PlusFunds' AUM, revenues and income. During the years 2008 and 2009, hedge fund industry assets under management fell by 21%. During that same period, fund of hedge fund industry assets under management fell even more sharply – by 43%. (See Exhibits 7 and 8.)

Second, funds of hedge funds, and especially smaller funds like the SPhinX funds, have experienced a variety of challenges since 2005.

In 2006, "investable" hedge fund index funds struggled to meet the objective of mimicking the returns of a broad basket of hedge funds. Not only had these funds lagged behind the U.S. stock market, they often posted smaller gains than the indexes they tracked. For example, in 2006, the MSCI Hedge Invest index gained 7.3%, a full four percentage points less than the 11.3% return of the MSCI Hedge Fund Composite index, which it was designed to mirror.[155]

In the latter part of 2008, turbulent markets and record investor redemptions forced hedge fund managers to sell investments into falling markets and left the industry down more than 23% by Christmas Eve, according to HFR's investable index. Global shares, by comparison, fell 44% in 2008. Craig Baker, global head of manager research at consultants Watson Wyatt, said hedge funds would continue closing down in 2009.[156]

A March 2012 Towers Watson report anticipated the future industry shape to comprise fewer and larger fund of hedge funds. The report indicated that current investor inflow was directed to the largest participants, as there was an equating of size with safety and an element of "headache minimization" as smaller, more boutique firms were more cautiously viewed from a going concern perspective. A number of firms with $2 billion to $10 billion in AUM were struggling against asset outflows, lack of performance fee generation, a high fixed cost of operation and a limited capacity to go after new business at lower marginal rates.[157]

A July 9, 2012 Financial Times article indicated that the hedge fund industry's prime source of money since 2008 had been institutions. According to the article, some funds of hedge

[155] USA Today, February 1, 2007, "Obstacles drag down 'investable' hedge fund indexes".
[156] The Wall Street Journal, December 30, 2008, "Hedge Fund Returns: The Worst Year Evah".
[157] Towers Watson report, March 2012, "Funds of hedge funds: Heavy weather ahead", pages 1 and 2.

funds (like the SPhinX funds) had difficulty attracting institutional money and had experienced dwindling assets. The head of funds of hedge funds ("FoHF") at Towers Watson was quoted in the article: "The FoHF industry is facing secular pressure on its business model, as witnessed by the redemption levels and industry consolidation, which we expect to continue."[158]

Finally, Peter Roffman, the head of S&P's index group product development, testified that (1) there are now substitutes for investable hedge fundindex products, (2) S&P no longer licenses its marks for use with investable hedge fund index products like SMFF, and (3) some of SMFF's former competitors have left the investable hedge fund index market.[159]

Ms. Lipton ignores all of this. This and the other flaws in Ms. Lipton's analysis discussed in my Report render her valuation opinion unreliable.

b. Ms. Lipton makes inconsistent references to subsequent events.

At several places in her report, Ms. Lipton refers to growth in the hedge fund industry after the valuation date of September 30, 2005. For example, her report includes a table titled "Hedge Fund Industry Growth" for the years 2005 to 2007. This table shows industry growth rates ranging from 25% to 33% in 2006 and 2007.[160] According to Ms. Lipton, the industry information reported after the valuation date provides evidence of continued growth in AUM even for composites of hedge funds that did not have the unique S&P brand and recent history of the SPhinX funds.[161]

Ms. Lipton has not included in her report industry statistics from 2008 and 2009. Had she done so, the reader would have learned that hedge fund industry AUM declined by 28% in 2008 and grew by only 10% in 2009. For funds of hedge funds, industry AUM declined by 33% in 2008 and fell another 16% in 2009. For the period 2006 to 2010 (the vast bulk of the period covered by Ms. Lipton's discounted cash flow analysis), hedge fund industry AUM grew at a compound annual rate of 8% and fund of hedge funds industry AUM grew at a compound annual

[158] Financial Times, July 9, 2012, "Institutions drive changes in sector".
[159] Deposition of Peter Roffman, April 26, 2012, pages 15 to 17, 115 and 247 to 250.
[160] Lipton report, page 14.
[161] Lipton report, page 15.

rate of only 1%. (See Exhibits 7 and 8.) These growth rates compare to the compound annual growth rate of 41% used by Ms. Lipton in her discounted cash flow analysis.[162]

V. Conduct of SMFF and its Agents after Disclosure of the Refco Fraud

In April 2006, SMFF settled the preference litigation with the RCM bankruptcy estate by agreeing to relinquish $263 million and waiving all claims against the RCM estate and other Refco entities relating in any way to the $312 million preference.[163] SMFF retained approximately $49 million in this settlement.

I have analyzed what SMFF could have recovered if, instead of relinquishing its claims against Refco in exchange for $49 million, it had successfully asserted claims in the RCM and Refco, LLC bankruptcy proceedings. For purposes of my analysis, I have assumed that if SMFF had repaid to RCM the $312 million preference, then SMFF could have filed claims against the RCM and Refco, LLC bankruptcy estates and that those claims would have been deemed allowed claims.

A. Claim against RCM

Assuming that SMFF could have filed a claim against RCM's bankruptcy estate in the amount of $312 million, and that SMFF's claim would have been allowed and treated as a Class 3 RCM FX/Unsecured Claim ("Class 3 Claim") under RCM's Chapter 11 Plan – the lowest class of creditor claims other than subordinated claims[164] – SMFF would have received as much as $203 million. The value of the distribution that SMFF would have received on its $312 million claim against RCM is based on assumptions made by Paul Pocalyko in the expert report he submitted on behalf of Plaintiffs in their lawsuit against the Schulte Roth law firm.[165]

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[162] Lipton report, Exhibit 10, page 1 of 2.
[163] Stipulation and Order of Settlement.
[164] In re: Refco Inc., et al., Disclosure Statement with Respect to Joint Chapter 11 Plan of Refco Inc. and Certain of its Direct and Indirect Subsidiaries, dated October 20, 2006, pages 7 to 9.
[165] Expert Report of Paul Pocalyko, dated June 29, 2012 ("Pocalyko report").

As of December 2010, RCM estimated that the total amount of allowed Class 3 Claims was $916 million.[166] According to RCM's most recent quarterly report, RCM's distribution pool (the amount it has paid to holders of allowed Class 3 Claims) is $483 million, including $801,000 in payments that had not cleared the bank.[167] This amount did not include any of the $263 million that SMFF returned to RCM in settlement of the preference action brought against it; instead, the $263 million went into a separate pool used to satisfy the claims of RCM securities customers.[168] Plaintiffs' expert, Paul Pocalyko, has opined, however that "had the SMFF repaid the $312 million, the Total Unsecured Creditors Distribution Pool would have increased for this amount."[169] I understand that to mean that had SMFF repaid the entire $312 million, then this full amount would have gone into the pool available to pay Class 3 Claims, rather than the pool to pay claims of RCM securities customers.

Taking Mr. Pocalyko's assumption as true solely for purposes of my Report, this additional $312 million would have resulted in a total distribution pool of $795 million. Under this scenario, the total amount of allowed Class 3 Claims against RCM's bankruptcy estate would also have increased by $312 million, resulting in total Class 3 Claims against RCM of $1.2 billion and distributions to general unsecured creditors of 65% of their claims. Had SMFF received a 65% distribution on its $312 million claim, it would have received $203 million, reducing its claimed loss to a maximum of $109 million (the $312 million returned to RCM minus the $203 million received). (See Exhibit 9.)

In addition to the scenario based on his opinion that the total amount available for distribution to holders of Class 3 claims would have increased by $312 million, Mr. Pocalyko also included another scenario in his report "in order to be conservative."[170] Under this scenario, the distribution pool would have been increased by only $49 million ($312 million minus $263 million) to $532 million. Under this scenario, SMFF would have received a 43% distribution on its claim, or $134 million, reducing its loss to a maximum of $178 million. (See Exhibit 9.)

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[166] For conservatism, I have included approximately $2 million of RCM FX/Unsecured Claims with Respect to Convenience Class. In re: Refco Inc., et al., RCM Plan Administrator's Notice of Eighth Interim Distribution of Assets in Place and Tenth Interim Distribution of Additional Property, dated December 21, 2010, Annex 1, pages 15 and 38.

[167] In re: Refco Inc., et al., Debtors' Post-Confirmation Quarterly Report for the Period from April 1, 2012 to June 30, 2012, dated July 13, 2012, Schedule II, pages 6 and 7.

[168] In re: Refco Inc., et al., RCM Plan Administrator's Notice of Sixth Interim Distribution of RCM Assets in Place to Holders of Allowed Class 4 RCM Securities Customer Claims Solely in Respect of the SPhinX Settlement Proceeds, dated November 13, 2007.

[169] Pocalyko report, page 18, footnote 39.

[170] Pocalyko report, page 18, footnote 39.

B. Claim against Refco, LLC

Plaintiffs have alleged that Refco, LLC improperly transferred SMFF cash from customer-segregated accounts at Refco, LLC to non-customer-segregated accounts at RCM, where the cash was exposed to loss upon RCM's bankruptcy.[171] Assuming those allegations to be true solely for purposes of my Report, I have further assumed that SMFF could have filed a claim, not only against the bankruptcy estate of RCM, but also in the Refco, LLC bankruptcy. I have assumed that, in that claim, SMFF could have alleged that Refco, LLC was also liable for any losses that SMFF suffered as a result of the allegedly unauthorized and improper transfer of cash by Refco, LLC to RCM, where the money was exposed to loss.[172]

Assuming SMFF had filed such a claim, the claim had been allowed, and the claim had been classified as a general unsecured claim, SMFF would have received a significant additional distribution. The Refco, LLC Chapter 7 Trustee's Final Account and Distribution Report indicates that $901 million was paid to general unsecured creditors holding allowed claims totaling $1.3 billion.[173] If the total amount of general unsecured claims had increased to $1.7 billion to account for SMFF's claim, while the amount available for distribution had remained $901 million, then each general unsecured creditor would have received a distribution of approximately 54% on account of its claim. In SMFF's case, this would have amounted to a distribution of $169 million, reducing SMFF's alleged loss (independent of any recovery from the RCM bankruptcy proceedings) to about $144 million. (See Exhibit 10.)

C. Combined recovery from RCM and Refco, LLC

Based on the assumptions and calculations above, if SMFF had not relinquished its claims against RCM and Refco, LLC – and provided that its own (or PlusFunds') misconduct did not lead to its claims being disallowed or subordinated – it could have recovered substantially more than the $49 million that it recovered in settling the preference litigation, and potentially could have recovered 100% of the $312 million that had been on deposit at RCM in the days before Refco's bankruptcy. (See Exhibit 11.)

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[171] Amended Complaint, paragraphs 5 and 6.

[172] See, for example, In re: Refco, LLC, Response of Rogers Raw Materials Fund, L.P., and Rogers International Raw Materials Fund, L.P. to the Chapter 7 Trustee's Objection to Their Respective Claims (Claim Nos. 251 and 252), dated September 18, 2006, pages 1, 2 and 36.

[173] In re: Refco, LLC, Chapter 7 Trustee's Final Account and Distribution Report Certification That the Estate has been Fully Administered and Application to be Discharged (TDR), dated March 7, 2012, page 2.

I understand that there is an alternative way SMFF could have achieved a 100% recovery, eliminating any loss. I understand that Plaintiffs allege that the transfer of SMFF's funds from segregated accounts at Refco, LLC to non-segregated accounts at RCM was unauthorized by PlusFunds and SMFF and that had this transfer not occurred, the funds would not have been exposed to any loss at all.[174] If Plaintiffs' allegations are true, then I understand that SMFF could have taken the position that the $312 million was its property and that it was entitled to retain those funds in full. The Rogers Funds,[175] Refco customers that, like SMFF, deposited their funds with Refco, LLC to be held in a segregated account, but whose funds were thereafter transferred to RCM, allegedly without authorization, took the position that those funds at RCM were the Rogers Funds' property, not RCM's, and that the funds had to be returned to them.[176] I understand that the Rogers Funds recovered all of their funds in the Refco bankruptcy proceedings.[177] Like SPhinX, the Rogers Funds claimed that Refco had improperly transferred their assets – around $362 million – from customer-segregated accounts at Refco, LLC to non-customer-segregated accounts at RCM.[178] The Rogers Funds brought a declaratory judgment action against RCM, claiming that the Rogers Funds' assets were not property of the RCM estate.[179] The Rogers Funds also asserted a separate claim in the Refco, LLC liquidation proceedings, alleging that Refco, LLC was responsible for losses suffered by the Rogers Funds because it had wrongfully transferred Rogers Funds' assets to RCM, where they were exposed to loss.[180] I understand the Rogers Funds obtained recoveries from both the RCM and Refco, LLC

[174] Amended Complaint, paragraphs 1, 5, 6 and 182 to 184.
[175] The "Rogers Funds" are the Rogers Raw Material Fund, L.P. and the Rogers International Materials Fund, L.P.
[176] Rogers Raw Materials Fund, L.P., et al. v. Refco Capital Markets, Ltd. Complaint, dated October 24, 2005, paragraphs 2, 3 and 6.
[177] Deposition of Walter Thomas Price, January 18, 2012, pages 220 to 226.
[178] Rogers Raw Materials Fund, L.P., et al. v. Refco Capital Markets, Ltd. Complaint, dated October 24, 2005, paragraphs 2 and 3.
[179] Rogers Raw Materials Fund, L.P., et al. v. Refco Capital Markets, Ltd. Complaint, dated October 24, 2005, paragraph 1.
[180] In re: Refco, LLC, Response of Rogers Raw Materials Fund, L.P., and Rogers International Raw Materials Fund, L.P. to the Chapter 7 Trustee's Objection to Their Respective Claims (Claim Nos. 251 and 252), dated September 18, 2006, pages 1, 2 and 36.

bankruptcy proceedings, with the combined recovery amounting to more than 100% of the Rogers Funds' assets that had been on deposit at RCM at the time of RCM's bankruptcy.[181]

Notwithstanding the transfer of $312 million in SMFF funds from segregated accounts at Refco, LLC to non-segregated accounts at RCM, I understand that SMFF had several avenues available to it to retain more than the $49 million it agreed to accept in settlement of the preference litigation – potentially as much as 100% of those funds. This would have been the case if SMFF and PlusFunds had not authorized the transfer of funds from Refco, LLC to RCM and their misconduct had not exposed SMFF to the disallowance or subordination of any claims it asserted in the RCM and Refco, LLC bankruptcy proceedings.

[181] Deposition of Walter Thomas Price, January 18, 2012, pages 220 to 226.

Attachment A

Documents

	Bates Number (if applicable)

All documents referenced in the notes or exhibits to my Report.

Court Filings

1. Kenneth M. Krys, et al. v. Christopher Sugrue, et al. Amended Complaint, dated October 10, 2008
2. Kenneth M. Krys, et al. v. Deutsche Bank Securities Inc., et al. Complaint, dated September 8, 2010
3. Kenneth M. Krys, et al. v. Christopher Sugrue, et al., Kenneth M. Krys, et al. v. Robert Aaron, et al., Kenneth M. Krys, et al. v. Richard Butt and Kenneth M. Krys, et al. v. Deutsche Bank Securities Inc., et al. Special Master Order for Substitution, dated June 17, 2010
4. Kenneth M. Krys, et al. v. Christopher Sugrue, et al. and Kenneth M. Krys, et al. v. Deutsche Bank Securities Inc., et al. Moving Defendants' Memorandum in Support of Summary Judgment, dated August 2, 2012
5. Kenneth M. Krys, et al. v. Christopher Sugrue, et al., Kenneth M. Krys, et al. v. Robert Aaron, et al. and Kenneth M. Krys, et al. v. Richard Butt Report and Recommendation of the Special Master on the Omnibus Issue of Standing, dated February 3, 2010
6. Kenneth M. Krys, et al. v. Christopher Sugrue, et al. Report and Recommendation of the Special Master on Motions to Dismiss brought by Defendants PricewaterhouseCoopers and Mari Ferris, dated August 10, 2011; and related Court Order, dated October 24, 2011
7. Kenneth M. Krys, et al. v. Christopher Sugrue, et al. Report and Recommendation of the Special Master on Motions to Dismiss brought by the Bank Defendants, dated December 8, 2011; and related Court Order, dated February 16, 2012
8. Kenneth M. Krys, et al. v. Christopher Sugrue, et al. Report and Recommendation of the Special Master on Motions to Dismiss brought by Grant Thornton LLP and Mark Ramler, dated December 16, 2011; and related Court Order, dated March 26, 2012
9. Kenneth M. Krys, et al. v. Christopher Sugrue, et al. Report and Recommendation of the Special Master on Motions to Dismiss brought by the Mayer Brown Defendants, dated January 17, 2012; and related Court Order, dated March 24, 2012
10. Kenneth M. Krys, et al. v. Deutsche Bank Securities Inc., et al. Report and Recommendation of the Special Master on Deutsche Bank Defendants' Motion to Dismiss, dated November 1, 2011; and related Court Order, dated February 16, 2012

Plaintiffs Expert Reports

11. Kenneth M. Krys Report on cash balances and transfers in respect of the SPhinX Group of Companies, dated June 29, 2012, including all appendices and documents referenced
12. Kenneth M. Krys Report on Interest earned by SMFF on Excess Cash at RCM & Refco LLC Sphinx Group of Companies, dated June 29, 2012, including all appendices and documents referenced

Attachment A

Documents

	Bates Number (if applicable)

Plaintiffs Expert Reports (Continued)

13. Expert Report of Joan A. Lipton, dated June 28, 2012, including all exhibits, appendices and documents referenced
14. Expert Report of Paul Pocalyko, dated June 29, 2012, including all exhibits and documents referenced

Defendants Expert Reports

15. Expert Report of René M. Stulz, dated August 14, 2012, including all exhibits, appendices and documents referenced

Depositions including Exhibits

16. Deposition of Brian Owens
17. Deposition of Diego M. Lago
18. Deposition of Diego P. Winegardner
19. Deposition of Gabriel Bousbib
20. Deposition of Howard C. Rose
21. Deposition of John S. Wehrle
22. Deposition of Justin Dew
23. Deposition of Kenneth M. Krys
24. Deposition of Mark Kavanagh
25. Deposition of Michael Anthony Mikytuck
26. Deposition of Peter Roffman
27. Deposition of Santo C. Maggio
28. Deposition of T. Barry Kingham
29. Deposition of Tia Lowe
30. Deposition of Walter Thomas Price

Financial Documents, Presentations and Other Documents

31.	ParenteBeard Documents	EXP-ParB-0000001	-	EXP-ParB-0005284
32.	Project Blue Angel Discussion Materials	GB 000733	-	GB 000741
33.	PlusFunds Group, Inc. Valuation Analysis: Sale-of-Control Basis, As of 10/31/03	BOMK00219176	-	BOMK00219219
34.	PlusFunds Assets under Management – 2006	PLF-KEAT-0377778	-	PLF-KEAT-0377782
35.	SPhinX, Ltd. Offering Memorandum, dated July 12, 2002	BAWAG-SPX 0038635	-	BAWAG-SPX 0038709
36.	SPhinX, Ltd. Financial Statements and Supplementary Information For The Year Ended December 31, 2004	BOMK_00008324	-	BOMK_00008370
37.	Schedule of PlusFunds' Total Subscriptions and Redemptions	PLF-NYS01-07668327	-	PLF-NYS01-07668504
38.	PlusFunds letter to SPhinX Strategy Fund Ltd. Manager, dated December 6, 2002	PLF-NYS01-03942388	-	PLF-NYS01-03942389
39.	December 9, 2002 email	PLF-CR04-0171969	-	PLF-CR04-0171970
40.	Letter Amendment, dated December 10, 2002	PLF-NYS01-01708446	-	PLF-NYS01-01708456
41.	License Agreement between Standard & Poor's and PlusFunds Ltd., dated December 20, 2001	BAWAG-SPX 0043782	-	BAWAG-SPX 0043811
42.	Amendments Nos. 1, 2 and 3 to License Agreement between Standard & Poor's and PlusFunds Group Inc.	BOMK_00120150	-	BOMK_00120174

Attachment A

Documents

	Bates Number (if applicable)
Financial Documents, Presentations and Other Documents (Continued)	
43. Memorandum from Gabriel Bousbib to Board of Directors re: Period March 31 – May 31, 2004, dated June 1, 2004	PLF-GB-0052775 - PLF-GB-0052777
44. Invesco Ltd. 10-K for year ended December 31, 2011	
45. Franklin Resources, Inc. 10-K for the year ended September 30, 2011	
46. Janus Capital Group Inc. 10-K for the year ended December 31, 2011	
47. Barclay Hedge Fund Index Historical Data (http://www.barclayhedge.com/research/indices/ghs/Hedge_Fund_Index.html)	
48. Barclay Fund of Funds Index Historical Data (http://www.barclayhedge.com/research/indices/ghs/Fund_of_Funds_Index.html)	
49. Hedge Fund Research Global Hedge Fund Industry Report - Second Quarter 2012	
50. Hennessee Group LLC Hedge Fund Assets vs. Number of Hedge funds (through January 2009)	
51. BarclayHedge Fund of Hedge Funds AUM (http://www.barclayhedge.com/research/indices/ghs/mum/Fund_of_Funds.html)	
52. ASA Business Valuation Standards	
53. ASA Information Update Issue 11-21, May 23, 2007, "How Does Litigation Affect Value?"	
54. Financial Times, July 9, 2012, "Institutions drive changes in sector"	
55. HedgeWorld.com, March 13, 2006, "PlusFunds Sale, Bankruptcy, Add to Refco Soup"	
56. HedgeWorld.com, May 22, 2006, "FTVentures Pulls Plug on PlusFunds Purchase"	
57. The Baltimore Sun, January 10, 2006, "Rydex firm considers merger of two funds; Action is linked to collapse of Refco"	
58. The Wall Street Journal, December 12, 2006, "Hedge Fund Managers Are Furious Over Effort to Sell Trading Histories"	
59. The Wall Street Journal, December 30, 2008, "Hedge Fund Returns: The Worst Year Evah"	
60. Towers Watson report, March 2012, "Funds of hedge funds: Heavy weather ahead"	
61. USA Today, February 1, 2007, "Obstacles drag down 'investable' hedge fund indexes"	
62. Valuing Small Businesses & Professional Practices, Third Edition	
63. www.BVLibrary.com, "Should subsequent events be considered in the present value of a business entity?"	
PlusFunds Group Inc. Financial Statements	
64. PlusFunds Group, Inc. Independent Auditors' Report Financial Statements For the Period March 25, 2002 to December 31, 2002	AL425759 - AL425773
65. PlusFunds Group, Inc. Financial Statements, December 31, 2003	PLF-NYS02-00727851 - PLF-NYS02-00727865
66. PlusFunds Group, Inc. Financial Statements, December 31, 2004	PLF-NYS01-00616699 - PLF-NYS01-00616715

Attachment A

Documents

	Bates Number (if applicable)

Other Court Filings

67. In re: PlusFunds Group, Inc., Disclosure Statement with Respect to the Fifth Amended Plan of Liquidation of PlusFunds Group, Inc., dated June 28, 2007
68. In re: PlusFunds Group, Inc., Fifth Amended Plan of Liquidation of PlusFunds Group, Inc. Under Chapter 11 of the United States Bankruptcy Code, dated June 28, 2007
69. In re: PlusFunds Group, Inc., Order (I) Confirming the Debtor's Fifth Amended Plan of Liquidation, dated June 28, 2007, Under Bankruptcy Code Section 1129 and Bankruptcy Rule 3020; (II) Approving Settlements in Connection Therewith; and (III) Granting Related Relief, dated August 7, 2007
70. In re: PlusFunds Group, Inc., Notice of PlusFunds General Trust's Fifth Omnibus Objection to Disallow and Expunge or, in the Alternative, Estimate at Zero, Contingent and/or Unliquidated Claims (for Creditors Listed in "Exhibit A"), dated December 29, 2008
71. In re: PlusFunds Group, Inc., Objection of SPhinX Managed Futures Fund SPC to Debtor's Motion for Order Authorizing Debtor to Cause the Dissolution and Appointment of a Liquidator for SPhinX Investment Fund, L.P. and SPhinX Managed Futures L.P., dated June 1, 2006
72. In re: Refco Inc., et al., The Official Committee of Unsecured Creditors of Refco Inc. et al. v. SPhinX Managed Futures Fund SPC, et al. Stipulation and Order of Settlement, dated June 9, 2006
73. In re: Refco Inc., et al., Debtors' Post-Confirmation Quarterly Report for the Period from April 1, 2012 to June 30, 2012, dated July 13, 2012
74. In re: Refco Inc., et al., Disclosure Statement with Respect to Joint Chapter 11 Plan of Refco Inc. and Certain of its Direct and Indirect Subsidiaries, dated October 20, 2006
75. In re: Refco Inc., et al., RCM Plan Administrator's Notice of Eighth Interim Distribution of Assets in Place and Tenth Interim Distribution of Additional Property, dated December 21, 2010
76. In re: Refco Inc., et al., RCM Plan Administrator's Notice of Sixth Interim Distribution of RCM Assets in Place to Holders of Allowed Class 4 RCM Securities Customer Claims Solely in Respect of the SPhinX Settlement Proceeds, dated November 13, 2007
77. In re: Refco, LLC, Chapter 7 Trustee's Final Account and Distribution Report Certification That the Estate has been Fully Administered and Application to be Discharged (TDR), dated March 7, 2012
78. In re: Refco, LLC, Response of Rogers Raw Materials Fund, L.P., and Rogers International Raw Materials Fund, L.P. to the Chapter 7 Trustee's Objection to Their Respective Claims (Claim Nos. 251 and 252), dated September 18, 2006
79. Rogers Raw Materials Fund, L.P., et al. v. Refco Capital Markets, Ltd. Complaint, dated October 24, 2005
80. The Official Committee of Unsecured Creditors of Refco Inc. et al., on behalf of Refco Capital Markets, Ltd. v. SPhinX Managed Futures Fund SPC, et al. Complaint, dated December 16, 2005

Attachment A

Documents

	Bates Number (if applicable)

Other Court Filings (Continued)

81. U.S. Bankruptcy Court PlusFunds Group, Inc., PlusFunds Claims Register, dated January 19, 2011
82. SPhinX, Ltd., et al. v. Christopher Sugrue, et al. Complaint, dated June 8, 2006
83. In re: Refco, LLC, Notice of Motion for Order Under 11 U.S.C. § 502(a) and Fed. R. Bankr. P. 9019 Approving Settlement of Rogers Funds Parties' Claims and Related Relief, dated October 5, 2006
84. In re: Refco, LLC, Chapter 7 Trustee's Objection to Claims of Rogers Raw Material Fund, L.P. (Claim No. 251) and Rogers International Raw Materials Fund, L.P. (Claim No. 252), dated September 7, 2006

Attachment B

TM FINANCIAL FORENSICS

AVRAM S. TUCKER
SUMMARY RESUME

CURRENT EMPLOYMENT AND POSITIONS

TM Financial Forensics LLC (Co-Founder and Chief Executive Officer)
Stanford University, School of Engineering (Consulting Professor)
George Washington University, School of Business (Dean's Board of Advisors)

EMPLOYMENT HISTORY

TM Financial Forensics LLC	2010 – Present (Chief Executive Officer)
Navigant Consulting Inc.	2004 – 2010 (including Managing Director and Exec Committee)
Tucker Alan Inc.	1994 – 2004 (Chief Executive Officer)
Peterson Consulting	1981 – 1994 (including Executive Vice President and COO)
Arthur Andersen & Co.	1977 – 1981 (Auditor and Consultant)

ACCREDITATIONS AND ACADEMIC EXPERIENCE

Certified Public Accountant (CPA) since 1978
Certified in Financial Forensics (CFF - American Institute of CPAs) since 2008

Consulting Professor at Stanford University's School of Engineering. Since 1991, has taught graduate-level courses at Stanford covering accounting, finance and management topics, including the analysis of companies' financial and economic condition, analysis of long-term contracts and the preparation of damage claims.

CONSULTING EXPERIENCE

Management and regulatory consulting, prior financial statement and special purpose auditing, and litigation consulting, including liability, causation and economic damages analysis and testimony on antitrust, breach of contract, bankruptcy (including solvency, fraudulent conveyance and valuation), class action, securities (e.g., shareholder litigation and Securities and Exchange Commission investigations), false advertising, intellectual property, employment and labor, mergers and acquisitions, environmental, professional negligence (involving accounting, law and consulting firms, and directors and officers), fraud investigations, white collar investigations, insurance, regulatory investigations (e.g., public utilities and telecommunications), public (government) contracts, construction, consumer products, class action, defective products, entertainment and sports, funds tracing and other disputes.

Attachment B

TM FINANCIAL FORENSICS

CONSULTING EXPERIENCE (continued)

Performed more than 500 forensic accounting, economic and operational studies to address liability, causation and damages aspects of disputes in connection with litigation, arbitration, administrative proceedings, regulatory investigations and alternative dispute resolution. These studies include analysis of companies in various industries, including study of financial condition, business operations, market and economic factors, and the effects of competition. Performed causation and liability analyses to assess (1) specific factual allegations; (2) reasons for changes in a company's financial condition; (3) causes and timing of insolvency; (4) factors resulting in a company's bankruptcy; (5) financial statements, disclosures and representations under a variety of circumstances; and (6) whether damages claimed by a plaintiff are caused by the liability allegations in the dispute. Prepared or analyzed damage claims relating to increased costs, lost profits, business value, asset value, royalties and disgorgement.

SELECTED INDUSTRY EXPERIENCE

Accounting, advertising, aerospace, agriculture, asset management, automotive, banking, beverage, biotechnology, brokerage, chemicals, commercial airline, computer hardware, software and components, construction and engineering, consumer products, data storage products, educational services, electric and gas utilities, entertainment, environmental, government contracting, healthcare, home and business security, hospitality, insurance, investment banking, manufacturing, medical products, metals mining, oil and gas, pharmaceutical, professional services, pulp and paper, real estate, retail, self storage and vehicle rental, shipping and shipbuilding, sporting goods and telecommunications, and travel/timeshare.

EXPERT TESTIMONY

Expert testimony in deposition, trial, administrative proceedings or arbitration in more than 175 cases in State and Federal Courts in California, Alaska, Arizona, Colorado, Illinois, Mississippi, Nebraska, Virginia, Massachusetts, New Mexico, Texas, New York, Ohio, Pennsylvania, Tennessee and Washington D.C., in the United States Court of Federal Claims, in the United States Bankruptcy Court, in State and Federal administrative proceedings, before FINRA (Financial Industry Regulatory Authority) and in Arbitration in the United States, Australia, France, South Africa, Switzerland and the United Kingdom.

Attachment B

TM | FINANCIAL FORENSICS

LECTURES AND SEMINARS

Universities:	Business, law and engineering schools at: University of California, Berkeley (Business and Engineering), Berkeley ("Boalt") Law School, Columbia University (Industrial Engineering and Applied Science), George Washington University (Business and Law), Harvard University (Business), Northwestern University (Law), Stanford University (Engineering), and the University of Washington (Business).
Companies:	Boeing Company, Boeing Capital Corp, Westinghouse, Northrop Grumman, Exxon, Pacific Gas & Electric Company, Sohio Oil, Bank of America, McDonnell Douglas, Bechtel Corp, KPMG and various law firms.
Professional Associations:	American Bar Association (Section of Litigation), American Bar Association (Public Contracts Section), American Institute of Certified Public Accountants, Project Management Institute, Stanford University Executive Programs, Surety Claims Association of Los Angeles, Professional Education Services, Inc., Edison Electric Institute, National Defense Industrial Association, Forbes Conference on Infrastructure Rebuilding, Aegis Insurance Utility Conference, Federal Procurement Institute, San Francisco Casualty Insurance Adjusters and Construction Super Conference.

PUBLICATIONS

Tucker, Avram S., "The Numbers Tell A Story," California Lawyer, June 2011, Volume 31, Number 6, p. 14-15.

Tucker, Avram S., "The Role of the Independent Consultant in Contract Administration," Managing Government Contracts, November 1992, #19, p. 7.

Tucker, Avram S., "Construction Claims," in Western Council of Construction Consumers, Contractual Arrangements and Administration, p. 40-46.

Eds. Cushman, Robert F., G. Christian Hedemann, and Avram S. Tucker, Alternative Dispute Resolution in the Construction Industry, John Wiley & Sons, New York, 1991.

Tucker, Avram S., "Pricing Abandonment and Cardinal Change Claims," American Bar Association, Forum on the Construction Industry, Volume 1, April 2005, p. 1-13.

Tucker, Avram S. and Greg S. Bingham, "Managing Risks of Potential Government Contract and Construction False Claims," February 2007.

Attachment C

TM FINANCIAL FORENSICS

AVRAM S. TUCKER
Deposition and Trial Testimony

Case Name	Venue	Approximate Date
Federal Deposit Insurance Corporation, as receiver for IndyMac Bank, F.S.B. v. Scott Van Dellen, Richard Koon, Kenneth Shellem and William Rothman	United States District Court, Central District of California, Los Angeles	2012
PNY Technologies, Inc., and PNY Technologies Europe, S.A.S. v. KPMG LLP	International Institute for Conflict Prevention and Resolution	2012
Globalstar, Inc. v. Thales Alenia Space France,	American Arbitration Association, International Centre for Dispute Resolution	2012
Seahawk Drilling, Inc., et al. v. Pride International, Inc., Pride Deepwater USA, Inc., et al.,	In The United States Bankruptcy Court for the Southern District of Texas, Corpus Christi Division	2011
Wachovia Securities, LLC v. Stifel, Nicolaus & Company, Inc., Gary King and Sally Murray	The Financial Industry Regulatory Authority (FINRA)	2011
Rambus, Inc. v. Micron Technology Inc. et al.	Superior Court of the State of California City and County of San Francisco	2011
Vietnam Telecom International v. Qwest Communications Corporation	Superior Court of the State of California in and for the County of Los Angeles	2011
Elpida Memory, Inc. v. Cension Semiconductor Manufacturing Corporation, and Semiconductor Manufacturing International Corporation	American Arbitration Association, International Centre for Dispute Resolution	2010
Wachovia Securities, LLC v. Stifel, Nicolaus & Company, Inc.	The Financial Industry Regulatory Authority (FINRA)	2010
Cordis Corporation v. Abbott Vascular, a division of Abbott Laboratories	CPR International Institute for Conflict Prevention & Resolution	2010

Attachment C

TM FINANCIAL FORENSICS

AVRAM S. TUCKER
Deposition and Trial Testimony

Case Name	Venue	Approximate Date
Stone & Webster, Inc. v. Public Service Company Colorado d/b/a/ XCEL Energy	District Court, City and County of Denver, Colorado	2010
Raytheon Company v. Anixter, Inc., and Anixter Pentacon	American Arbitration Association	2010
Westinghouse Electric Company LLC and Westinghouse Technology Licensing Company LLC v. Mitsubishi Heavy Industries, Ltd.	International Court of Arbitration of International Chamber of Commerce	2010
Oppenheimer & Co. Inc. v. Citigroup Global Markets, Inc., Andrew Basch and Howard Blitz,	The Financial Industry Regulatory Authority (FINRA)	2010
Vietnam Telecom International v. Qwest Communications Corporation	Superior Court of the State of California in and for the County of Los Angeles	2010
Aviation Partners Inc. (United States of America) v. Dassault Aviation S.A.	International Court of Arbitration of International Chamber of Commerce	2010
VOOM HD Holdings LLC v. EchoStar Satellite LLC	Supreme Court of the State of New York, County of New York	2010
POM Wonderful LLC v. The Coca Cola Company	United States District Court, Central District of California	2010
Telcordia Technologies Inc. v. Telkom SA LTD	Court of Arbitration of the International Chamber of Commerce – South Africa	2010
Tutor-Saliba-Perini, J.V. vs. Los Angeles County Metropolitan Transportation Authority	Superior Court of the State of California, County of Los Angeles Central District	2010
Vlaho Miletak v. Allstate Insurance Company	United States District Court for Northern District of California	2009

Attachment C

TM FINANCIAL FORENSICS

AVRAM S. TUCKER
Deposition and Trial Testimony

Case Name	Venue	Approximate Date
Tutor-Saliba-Perini, J.V. vs. Los Angeles County Metropolitan Transportation Authority	Superior Court of the State of California, County of Los Angeles Central District	2009
Oppenheimer & Co. Inc. v. Citigroup Global Markets, Inc., Andrew Basch and Howard Blitz	The Financial Industry Regulatory Authority (FINRA)	2009
Securities and Exchange Commission v. Charles C. Conaway and John T. McDonald, Jr.	United States District Court Eastern District of Michigan	2009
Rambus, Inc. v. Micron Technology Inc. et al.	Superior Court of the State of California City and County of San Francisco	2009
Asarco LLC and Southern Peru Holdings LLC v. Americas Mining Corporation	United States District Court for Southern District of Texas Brownsville Division	2008
J. Paul Reddam, J. Paul Reddam Trust, Clarence Ventures LLC, a Delaware limited liability company, and ZED Corporation, a California Corporation v. KPMG LLP	Private Arbitration	2008
Boeing Satellite Systems International, Inc., a corporation v. ICO Global Communications (Operations) Limited, a corporation	Superior Court of the State of California, Los Angeles	2008
John Hancock Life Insurance Company, John Hancock Variable Life Insurance Company, and Manulife Insurance Company (f/k/a/ Investors Partner Insurance Company) v. Abbott Laboratories	United States District Court for the District of Massachusetts	2008
Televisa, S.A. de C.V. and Grupo Televisa, S.A. v. Univision Communications, Inc.	United States District Court Central District Court of California	2008

EXHIBIT 1

Comparison of SPhinX Funds and BarclayHedge Indices [1]
Cumulative Performance from July 2002 through September 2005

SPhinX Distressed Fund, SPC	73.77%
SPhinX Long/Short Equity Fund SPC	50.32%
SPhinX Special Situations Fund SPC	41.69%
Barclay Hedge Fund Index	38.25% [2]
SPhinX Managed Futures Fund SPC	26.63%
Barclay Fund of Funds Index	23.71% [2]
SPhinX Fixed Income Arbitrage Fund SPC	14.45%
SPhinX Convertible Arbitrage Fund SPC	13.56%
SPhinX Merger Arbitrage Fund SPC	13.55%
SPhinX Macro Fund SPC	7.86%
SPhinX Equity Market Neutral Fund SPC	-3.16%

Notes: (1) Unless otherwise noted, source is Expert Report of Joan A. Lipton, dated June 28, 2012, Exhibit 4.
(2) Source is Tucker Exhibit 1-1.

EXHIBIT 1-1

BarclayHedge Indices Performance

	Barclay Hedge Fund Index [1]		Barclay Fund of Funds Index [2]	
	Annual Performance	Cumulative Performance	Annual Performance	Cumulative Performance
Jul - Dec 2002	-0.13%	-0.13%	0.05%	0.05%
2003	17.99%	17.84%	10.44%	10.49%
2004	8.80%	28.21%	6.65%	17.84%
Jan - Sep 2005	7.84%	**38.25%**	4.98%	**23.71%**

Notes: (1) Source is Barclay Hedge Fund Index Historical Data (http://www.barclayhedge.com/research/indices/ghs/Hedge_Fund_Index.html).

(2) Source is Barclay Fund of Funds Index Historical Data (http://www.barclayhedge.com/research/indices/ghs/Fund_of_Funds_Index.html).

EXHIBIT 2

Cumulative Net Subscriptions - Refco [1]

	Original Line #	Vehicle	Investor	Distributor [2]	Date	Subscription / (Redemption)	Cumulative
1.	30	SPhinX Strategy Fund Ltd	Sentinel	Direct [3]	12/1/2002	$ 70,000,000	$ 70,000,000
2.	76	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	4/1/2003	$ 1,717,500	$ 71,717,500
3.	89	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	5/1/2003	$ 3,954,000	$ 75,671,500
4.	90	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	5/1/2003	$ 2,000,000	$ 77,671,500
5.	91	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	5/1/2003	$ 3,668,000	$ 81,339,500
6.	105	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	5/1/2003	$ 215,000	$ 81,554,500
7.	108	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	5/1/2003	$ 98,000	$ 81,652,500
8.	106	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	6/1/2003	$ 2,374,000	$ 84,026,500
9.	109	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	6/1/2003	$ 1,000,000	$ 85,026,500
10.	110	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	6/1/2003	$ 6,321,000	$ 91,347,500
11.	128	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	6/1/2003	$ 6,525,000	$ 97,872,500
12.	126	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	7/1/2003	$ 2,168,000	$ 100,040,500
13.	129	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	7/1/2003	$ 17,822,000	$ 117,862,500
14.	157	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	7/1/2003	$ 325,000	$ 118,187,500
15.	158	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	8/1/2003	$ 48,000	$ 118,235,500
16.	159	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	8/1/2003	$ 14,700,000	$ 132,935,500
17.	173	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	9/1/2003	$ 2,709,000	$ 135,644,500
18.	213	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	9/1/2003	$ (504,000)	$ 135,140,500
19.	214	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	10/1/2003	$ (520,000)	$ 134,620,500
20.	267	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	10/1/2003	$ 24,910,000	$ 159,530,500
21.	264	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	11/1/2003	$ (332,000)	$ 159,198,500
22.	265	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	11/1/2003	$ (1,825,000)	$ 157,373,500
23.	268	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	11/1/2003	$ (1,121,000)	$ 156,252,500
24.	305	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	12/1/2003	$ (180,000)	$ 156,072,500
25.	306	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	12/1/2003	$ 50,000	$ 156,122,500
26.	335	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	12/1/2003	$ (250,000)	$ 155,872,500
27.	372	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	1/1/2004	$ 1,222,000	$ 157,094,500
28.	395	SPhinX Ltd	CA-ISBL S/A CDC ICM Plus Funds Class A Europrotected 1	Refco	2/1/2004	$ 18,883,950	$ 175,978,450
29.	414	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	2/1/2004	$ (1,730,000)	$ 174,248,450
30.	426	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	2/1/2004	$ 50,000,000	$ 224,248,450
31.	427	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	2/1/2004	$ 322,647	$ 224,571,097
32.	521	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	2/1/2004	$ (225,000)	$ 224,346,097
33.	436	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	3/1/2004	$ 71,750,000	$ 296,096,097
34.	520	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	3/1/2004	$ 5,000,000	$ 301,096,097

EXHIBIT 2

Cumulative Net Subscriptions - Refco [1]

	Original Line #	Vehicle	Investor	Distributor [2]	Date	Subscription / (Redemption)	Cumulative
35.	522	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	3/1/2004	$ 1,800,000	$ 302,896,097
36.	533	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	3/1/2004	$ 118,893	$ 303,014,990
37.	558	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	3/1/2004	$ 5,104,165	$ 308,119,155
38.	556	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	4/1/2004	$ 1,097,000	$ 309,216,155
39.	614	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	4/1/2004	$ 6,175,000	$ 315,391,155
40.	615	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	4/1/2004	$ 9,947,000	$ 325,338,155
41.	632	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	4/1/2004	$ 283,816	$ 325,621,971
42.	735	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	4/1/2004	$ 2,275,000	$ 327,896,971
43.	736	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	4/1/2004	$ 61,400,000	$ 389,296,971
44.	710	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	5/1/2004	$ 110,263	$ 389,407,234
45.	734	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	5/1/2004	$ 2,450,000	$ 391,857,234
46.	737	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	5/1/2004	$ 10,048,000	$ 401,905,234
47.	745	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	5/1/2004	$ 5,838,000	$ 407,743,234
48.	837	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	5/1/2004	$ 1,335,000	$ 409,078,234
49.	831	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	6/1/2004	$ 493,103	$ 409,571,338
50.	834	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	6/1/2004	$ 5,650,000	$ 415,221,338
51.	835	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	6/1/2004	$ 6,600,000	$ 421,821,338
52.	836	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	6/1/2004	$ 19,400,000	$ 441,221,338
53.	876	SPhinX Ltd	CA-ISBL S/A CDC ICM Plus Funds Class A Europrotected I	Refco	7/1/2004	$ (18,664,131)	$ 422,557,206
54.	877	SPhinX Ltd	CA-ISBL S/A CDC ICM Tactical Master	Refco	7/1/2004	$ 18,664,131	$ 441,221,338
55.	940	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	7/1/2004	$ 387,563	$ 441,608,901
56.	941	SPhinX Strategy Fund Ltd	Sentinel	Direct [3]	7/1/2004	$ (25,000,000)	$ 416,608,901
57.	943	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	7/1/2004	$ 1,450,000	$ 418,058,901
58.	944	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	7/1/2004	$ 4,835,000	$ 422,893,901
59.	945	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	7/1/2004	$ 1,250,000	$ 424,143,901
60.	960	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	7/1/2004	$ 2,500,000	$ 426,643,901
61.	993	SPhinX Strategy Fund Ltd	Sentinel	Direct [3]	8/1/2004	$ (13,000,000)	$ 413,643,901
62.	994	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	8/1/2004	$ 1,263,909	$ 414,907,810
63.	1050	Refco Registered	S&P Managed Futures Index Fund, LP	Direct [4]	8/1/2004	$ 3,235,000	$ 418,142,810
64.	1051	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	8/1/2004	$ 1,257,000	$ 419,399,810
65.	1054	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	8/1/2004	$ 414,000	$ 419,813,810
66.	1056	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	8/1/2004	$ 5,000,000	$ 424,813,810
67.	1075	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	9/1/2004	$ 265,132	$ 425,078,941
68.	1076	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	9/1/2004	$ (13,800)	$ 425,065,141

EXHIBIT 2

Cumulative Net Subscriptions - Refco [1]

	Original Line #	Vehicle	Investor	Distributor [2]	Date	Subscription / (Redemption)	Cumulative
69.	1081	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	9/1/2004	$ 2,293,000	$ 427,358,141
70.	1082	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	9/1/2004	$ (500,000)	$ 426,858,141
71.	1083	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	9/1/2004	$ 7,100,000	$ 433,958,141
72.	1133	SPhinX Ltd	CA-ISBL S/A CDC ICM Tactical Master	Refco	10/1/2004	$ (18,558,542)	$ 415,399,599
73.	1135	SPhinX Ltd	Citco Global Custody NV - REF LYXORMF 10724545	Refco	10/1/2004	$ 16,380,000	$ 431,779,599
74.	1136	SPhinX Ltd	Citco Global Custody NV - REF LYXORMF 10724545	Refco	10/1/2004	$ 3,700,000	$ 435,479,599
75.	1137	SPhinX Ltd	Citco Global Custody NV - REF LYXORMF 10342437	Refco	10/1/2004	$ 11,735,100	$ 447,214,699
76.	1169	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	10/1/2004	$ (177,244)	$ 447,037,456
77.	1170	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	10/1/2004	$ 104,244	$ 447,141,700
78.	1182	SPhinX Strategy Fund Ltd	Sentinel	Direct [3]	10/1/2004	$ (10,000,000)	$ 437,141,700
79.	1208	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	10/1/2004	$ (2,165,000)	$ 434,976,700
80.	1209	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	10/1/2004	$ 1,345,000	$ 436,321,700
81.	1210	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	10/1/2004	$ 17,131,000	$ 453,452,700
82.	1215	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	10/1/2004	$ 1,450,000	$ 454,902,700
83.	1230	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	11/1/2004	$ 242,716	$ 455,145,416
84.	1281	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	11/1/2004	$ (550,000)	$ 454,595,416
85.	1282	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	11/1/2004	$ (1,000,000)	$ 453,595,416
86.	1283	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	11/1/2004	$ 2,200,000	$ 455,795,416
87.	1377	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	11/1/2004	$ 7,625,000	$ 463,420,416
88.	1367	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	12/1/2004	$ 97,333	$ 463,517,749
89.	1368	SPhinX Strategy Fund Ltd	Sentinel	Direct [3]	12/1/2004	$ (8,000,000)	$ 455,517,749
90.	1374	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	12/1/2004	$ 400,000	$ 455,917,749
91.	1375	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	12/1/2004	$ 107,000	$ 456,024,749
92.	1376	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	12/1/2004	$ 2,836,000	$ 458,860,749
93.	1480	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	12/1/2004	$ (35,300,000)	$ 423,560,749
94.	1438	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	1/1/2005	$ (107,686)	$ 423,453,063
95.	1471	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	1/1/2005	$ 2,350,000	$ 425,803,063
96.	1490	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	1/1/2005	$ 1,450,000	$ 427,253,063
97.	1498	SPhinX Ltd	Citco Global Custody NV - REF LYXORMF 10724545	Refco	2/1/2005	$ (1,050,000)	$ 426,203,063
98.	1543	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	2/1/2005	$ 23,959	$ 426,227,022
99.	1548	SPhinX Strategy Fund Ltd	Sentinel	Direct [3]	2/1/2005	$ (9,000,000)	$ 417,227,022
100.	1558	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	2/1/2005	$ 8,144,000	$ 425,371,022
101.	1559	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	2/1/2005	$ 2,030,000	$ 427,401,022
102.	1653	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	3/1/2005	$ 1,610,000	$ 429,011,022
103.	1654	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	3/1/2005	$ 2,830,000	$ 431,841,022

EXHIBIT 2

Cumulative Net Subscriptions - Refco [1]

	Original Line #	Vehicle	Investor	Distributor [2]	Date	Subscription / (Redemption)	Cumulative
104.	1655	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	3/1/2005	$ (3,800,000)	$ 428,041,022
105.	1656	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	3/1/2005	$ (11,194,793)	$ 416,846,229
106.	1657	PlusFunds Manager Access SPC Ltd	Refco Sphinx Managed Futures Index Fund	Refco	3/1/2005	$ 11,194,793	$ 428,041,022
107.	1711	SPhinX Ltd	Citco Global Custody NV - REF LYXORMF 10724545	Refco	4/1/2005	$ 500,000	$ 428,541,022
108.	1712	SPhinX Ltd	Citco Global Custody NV - REF LYXORMF 10342437	Refco	4/1/2005	$ 1,135,000	$ 429,676,022
109.	1757	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	4/1/2005	$ (4,869)	$ 429,671,153
110.	1758	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	4/1/2005	$ (114,950)	$ 429,556,203
111.	1776	SPhinX Strategy Fund Ltd	Sentinel	Direct [3]	4/1/2005	$ (4,000,000)	$ 425,556,203
112.	1795	PlusFunds Manager Access SPC Ltd	Refco Sphinx Managed Futures Index Fund	Refco	4/1/2005	$ (1,015,000)	$ 424,541,203
113.	1834	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	4/1/2005	$ 25,900,000	$ 450,441,203
114.	1835	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	4/1/2005	$ 3,750,000	$ 454,191,203
115.	1836	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	4/1/2005	$ 1,500,000	$ 455,691,203
116.	1837	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	4/1/2005	$ (485,000)	$ 455,206,203
117.	1870	SPhinX Ltd	Citco Global Custody NV - REF LYXORMF 10724545	Refco	5/1/2005	$ (2,600,000)	$ 452,606,203
118.	1871	SPhinX Ltd	Citco Global Custody NV - REF LYXORMF 10342437	Refco	5/1/2005	$ (1,500,000)	$ 451,106,203
119.	1900	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	5/1/2005	$ 20,694	$ 451,126,897
120.	1902	SPhinX Strategy Fund Ltd	Sentinel	Direct [3]	5/1/2005	$ (6,122,386)	$ 445,004,511
121.	1938	PlusFunds Manager Access SPC Ltd	Refco Sphinx Managed Futures Index Fund	Refco	5/1/2005	$ 365,000	$ 445,369,511
122.	1939	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	5/1/2005	$ 5,800,000	$ 451,169,511
123.	1940	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	5/1/2005	$ 2,000,000	$ 453,169,511
124.	1941	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	5/1/2005	$ 455,000	$ 453,624,511
125.	1942	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	5/1/2005	$ (3,000,000)	$ 450,624,511
126.	1986	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	6/1/2005	$ (300,000)	$ 450,324,511
127.	1987	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	6/1/2005	$ (1,200,000)	$ 449,124,511
128.	2022	PlusFunds Manager Access SPC Ltd	Refco Sphinx Managed Futures Index Fund	Refco	6/1/2005	$ (500,000)	$ 448,624,511
129.	2097	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	7/1/2005	$ (3,062,873)	$ 445,561,638
130.	2098	SPhinX Strategy Fund Ltd	Ansbacher Portfolio Nominees (Guernsey) Ltd.	Refco	7/1/2005	$ (44,874)	$ 445,516,763
131.	2163	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	7/1/2005	$ (65,000,000)	$ 380,516,763
132.	2164	PlusFunds Manager Access SPC Ltd	Refco Sphinx Managed Futures Index Fund	Refco	7/1/2005	$ (1,000,000)	$ 379,516,763
133.	2210	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	7/1/2005	$ (600,000)	$ 378,916,763
134.	2211	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	7/1/2005	$ 150,000	$ 379,066,763
135.	2222	SPhinX Ltd	Citco Global Custody NV - REF LYXORMF 10724545	Refco	8/1/2005	$ (2,300,000)	$ 376,766,763
136.	2223	SPhinX Ltd	Citco Global Custody NV - REF LYXORMF 10342437	Refco	8/1/2005	$ (1,400,000)	$ 375,366,763
137.	2224	SPhinX Ltd	Citco Global Custody NV - REF LYXORMF 10342437	Refco	8/1/2005	$ (1,200,000)	$ 374,166,763
138.	2284	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	8/1/2005	$ (62,000,000)	$ 312,166,763

EXHIBIT 2

Cumulative Net Subscriptions - Refco [1]

	Original Line #	Vehicle	Investor	Distributor [2]	Date	Subscription / (Redemption)	Cumulative
139.	2285	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	8/1/2005	$ 175,000	$ 312,341,763
140.	2289	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	8/1/2005	$ (34,200,000)	$ 278,141,763
141.	2290	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	8/1/2005	$ (250,000)	$ 277,891,763
142.	2291	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	8/1/2005	$ 250,000	$ 278,141,763
143.	2301	SPhinX Ltd	Citco Global Custody NV - REF LYXORMF 10342437	Refco	9/1/2005	$ (2,000,000)	$ 276,141,763
144.	2375	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	9/1/2005	$ 700,000	$ 276,841,763
145.	2376	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	9/1/2005	$ 400,000	$ 277,241,763
146.	2377	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	9/1/2005	$ (38,500,000)	$ 238,741,763
147.	2379	SPhinX Managed Futures LP	Sphinx Managed Futures Index Fund	Refco	9/1/2005	$ (500,000)	$ 238,241,763
148.	2380	Refco Registered	S&P Managed Futures Index Fund, LP	Refco	9/1/2005	$ 300,000	$ 238,541,763
149.	2381	SPhinX Managed Futures Fund Ltd	Refco Sphinx Managed Futures Index Fund	Refco	9/1/2005	$ (200,000)	$ 238,341,763

Notes: (1) Source is Schedule of PlusFunds' Total Subscriptions and Redemptions (PLF-NYS01-07668327 - PLF-NYS01-07668504).
(2) Includes all subscriptions and redemptions where "Distributor" is identified as "Refco".
(3) Appears to represent alleged seed capital facilitated by Refco to fund the SPhinX Managed Futures Fund. See Amended Complaint, ¶140.
(4) Assumed to represent a subscription made by Refco since the "Vehicle" is identified as "Refco Registered".

EXHIBIT 3

Recreation of Lipton DCF Analysis [1]
Using Hedge Fund Industry Growth Rates
($ in thousands, unless noted)

	Oct - Dec 2005	2006	2007	2008	2009	2010
Beginning AUM (in millions)	$ 2,368	$ 2,504	$ 3,231	$ 4,070	$ 2,931	$ 3,224
Hedge Fund Industry Growth Rates [2]		*29%*	*26%*	*-28%*	*10%*	*14%*
Ending AUM (in millions)	2,504	3,231	4,070	2,931	3,224	3,675
Average AUM (in millions)	2,436	2,867	3,651	3,501	3,077	3,449
Total Revenue [3]	7,005	32,975	41,981	40,257	35,389	39,669
Gross Profit [4]	3,502	16,488	20,990	20,129	17,694	19,835
EBITDA [5]	1,541	7,255	9,236	9,662	8,493	9,521
Less: Change in Working Capital [6]	(64)	(2,052)	(630)	322	316	(278)
Less: Taxes (40%)	(616)	(2,902)	(3,694)	(3,865)	(3,397)	(3,808)
After-Tax Cash Flow	861	2,300	4,911	6,119	5,412	5,434
Discount Factor [7]	0.9816	0.8947	0.7713	0.6649	0.5732	0.4941
Discounted Cash Flow	845	2,058	3,788	4,068	3,102	2,685
Sum of Discounted Cash Flow for Discrete Periods	16,546					
Terminal Value [8]	43,700					
Indicated Value (Rd.)	$ 60,000					

Notes: (1) Unless noted otherwise, source is Expert Report of Joan A. Lipton, dated June 28, 2012, Exhibit 10, page 1.
(2) Source is Tucker Exhibit 7.
(3) Estimated as 1.15% of average AUM.
(4) Estimated as 50% of revenue.
(5) Estimated as 22% of revenue from 2005 through 2007 and 24% of revenue thereafter.
(6) Source is Tucker Exhibit 3-1.
(7) Based on a 16% discount rate and mid-period discounting to September 30, 2005.
(8) Source is Tucker Exhibit 3-2.

EXHIBIT 3-1

Recreation of Lipton DCF Analysis
Using Hedge Fund Industry Growth Rates
Change in Working Capital Calculation
($ in thousands)

	Oct - Dec 2005	2006	2007	2008	2009	2010
Gross Profit [1]		$ 16,488	$ 20,990	$ 20,129	$ 17,694	$ 19,835
EBITDA [1]		7,255	9,236	9,662	8,493	9,521
Operating Expenses		$ 9,233	$ 11,755	$ 10,467	$ 9,201	$ 10,314
Working Capital at End of Period [3]	$ 256 [2]	$ 2,308	$ 2,939	$ 2,617	$ 2,300	$ 2,578
Previous Period Working Capital	n/a	256	2,308	2,939	2,617	2,300
Increase / (Decrease) in Working Capital	$ 64 [4]	$ 2,052	$ 630	$ (322)	$ (316)	$ 278

Notes: (1) Source is Tucker Exhibit 3.

(2) Per Lipton Exhibit 10, Working Capital for 2006 = (Gross Profit - EBITDA) x 25% = $2,902. The change in Working Capital for 2006 is $2,646. Therefore, Working Capital for the last quarter of 2005 can be imputed to be $2,902 - $2,646 = $256.

(3) Working capital has been estimated as 25% of operating expenses for 2006 through 2010. (See Expert Report of Joan A. Lipton, dated June 28, 2012, Exhibit 10, page 1.)

(4) Source is Expert Report of Joan A. Lipton, dated June 28, 2012, Exhibit 10, page 1.

EXHIBIT 3-2

Recreation of Lipton DCF Analysis [1]
Using Hedge Fund Industry Growth Rates
Terminal Value Calculation
($ in thousands)

Projected 2010 EBITDA [2]	$	9,521
EBITDA Multiple		10.0
Terminal Value	$	95,206
Present Value Discount Factor for Terminal Value [3]		0.4588
Discounted Terminal Value (Rd.)	$	43,700

Notes: (1) Unless noted otherwise, source is Expert Report of Joan A. Lipton, dated June 28, 2012, Exhibit 10, page 2.
(2) Source is Tucker Exhibit 3.
(3) Based on a 16% discount rate and discounting from December 31, 2010.

EXHIBIT 4

Recreation of Lipton DCF Analysis [1]
Using Fund of Hedge Fund Industry Growth Rates
($ in thousands, unless noted)

	Oct - Dec 2005	2006	2007	2008	2009	2010
Beginning AUM (in millions)	$ 2,368	$ 2,504	$ 3,506	$ 4,347	$ 2,913	$ 2,447
Fund of Hedge Fund Industry Growth Rates [2]		*40%*	*24%*	*-33%*	*-16%*	*7%*
Ending AUM (in millions)	2,504	3,506	4,347	2,913	2,447	2,618
Average AUM (in millions)	2,436	3,005	3,927	3,630	2,680	2,532
Total Revenue [3]	7,005	34,559	45,158	41,747	30,817	29,122
Gross Profit [4]	3,502	17,280	22,579	20,873	15,409	14,561
EBITDA [5]	1,541	7,603	9,935	10,019	7,396	6,989
Less: Change in Working Capital [6]	(64)	(2,163)	(742)	448	710	110
Less: Taxes (40%)	(616)	(3,041)	(3,974)	(4,008)	(2,958)	(2,796)
After-Tax Cash Flow	861	2,399	5,219	6,459	5,148	4,304
Discount Factor [7]	0.9816	0.8947	0.7713	0.6649	0.5732	0.4941
Discounted Cash Flow	845	2,146	4,025	4,294	2,951	2,127
Sum of Discounted Cash Flow for Discrete Periods	16,388					
Terminal Value [8]	32,100					
Indicated Value (Rd.)	$ 48,000					

Notes: (1) Unless noted otherwise, source is Expert Report of Joan A. Lipton, dated June 28, 2012, Exhibit 10, page 1.
(2) Source is Tucker Exhibit 8.
(3) Estimated as 1.15% of average AUM.
(4) Estimated as 50% of revenue.
(5) Estimated as 22% of revenue from 2005 through 2007 and 24% of revenue thereafter.
(6) Source is Tucker Exhibit 4-1.
(7) Based on a 16% discount rate and mid-period discounting to September 30, 2005.
(8) Source is Tucker Exhibit 4-2.

EXHIBIT 4-1

Recreation of Lipton DCF Analysis
Using Fund of Hedge Fund Industry Growth Rates
Change in Working Capital Calculation
($ in thousands)

	Oct - Dec 2005		2006	2007	2008	2009	2010
Gross Profit (1)			$ 17,280	$ 22,579	$ 20,873	$ 15,409	$ 14,561
EBITDA (1)			7,603	9,935	10,019	7,396	6,989
Operating Expenses			$ 9,677	$ 12,644	$ 10,854	$ 8,013	$ 7,572
Working Capital at End of Period (3)	$ 256	(2)	$ 2,419	$ 3,161	$ 2,714	$ 2,003	$ 1,893
Previous Period Working Capital	n/a		256	2,419	3,161	2,714	2,003
Increase / (Decrease) in Working Capital	$ 64	(4)	$ 2,163	$ 742	$ (448)	$ (710)	$ (110)

Notes: (1) Source is Tucker Exhibit 4.

(2) Per Lipton Exhibit 10, Working Capital for 2006 = (Gross Profit - EBITDA) x 25% = $2,902. The change in Working Capital for 2006 is $2,646. Therefore, Working Capital for the last quarter of 2005 can be imputed to be $2,902 - $2,646 = $256.

(3) Working capital has been estimated as 25% of operating expenses for 2006 through 2010. (See Expert Report of Joan A. Lipton, dated June 28, 2012, Exhibit 10, page 1.)

(4) Source is Expert Report of Joan A. Lipton, dated June 28, 2012, Exhibit 10, page 1.

EXHIBIT 4-2

Recreation of Lipton DCF Analysis [1]
Using Fund of Hedge Fund Industry Growth Rates
Terminal Value Calculation
($ in thousands)

Projected 2010 EBITDA [2]	$	6,989
EBITDA Multiple		10.0
Terminal Value	$	69,894
Present Value Discount Factor for Terminal Value [3]		0.4588
Discounted Terminal Value (Rd.)	$	32,100

Notes: (1) Unless noted otherwise, source is Expert Report of Joan A. Lipton, dated June 28, 2012, Exhibit 10, page 2.
(2) Source is Tucker Exhibit 4.
(3) Based on a 16% discount rate and discounting from December 31, 2010.

EXHIBIT 5

PlusFunds Investors with Net Redemptions [1],[2]
July - September 2005

Normalized Investor Name	Investor Name	Original Line #	Date	Subscription / (Redemption)
1. Citco Global Custody NV	Citco Global Custody NV Cash	2047	7/1/2005	$ (109,911)
	Citco Global Custody NV - Ref 103561	2048	7/1/2005	(279,481)
	Citco Global Custody NV - Ref 156111	2049	7/1/2005	(206,781)
	Citco Global Custody NV - Ref 156111	2050	7/1/2005	(194,547)
	Citco Global Custody NV - Ref 190059	2051	7/1/2005	(206,712)
	Citco Global Custody NV - Ref 190059	2052	7/1/2005	(8,132,234)
	Citco Global Custody NV - Ref 190059	2053	7/1/2005	(60,954)
	Citco Global Custody NV - Ref 190059	2054	7/1/2005	(142,225)
	Citco Global Custody NV - Ref 190059	2055	7/1/2005	25,000
	Citco Global Custody NV - Ref: Mirabaud Renalco	2077	7/1/2005	140,000
	Citco Global Custody NV - Ref: 103561 (Renalco)	2090	7/1/2005	(46,745)
	Citco Global Custody NV - Ref: 190023 (Renalco)	2091	7/1/2005	150,000
	Citco Global Custody NV - Ref 104650	2150	7/1/2005	(461,994)
	Citco Global Custody NV - Ref 156111	2151	7/1/2005	(274,720)
	Citco Global Custody NV - Ref 210857	2152	7/1/2005	(1,335,435)
	Citco Global Custody NV - Ref 210857	2153	7/1/2005	(1,751,216)
	Citco Global Custody NV - Ref 210857	2154	7/1/2005	(2,855,558)
	Citco Global Custody NV Ref DB LDN GLOBAL MKT RATES FOHF	2221	8/1/2005	(20,343,760)
	Citco Global Custody NV - REF LYXORMF 10724545	2222	8/1/2005	(2,300,000)
	Citco Global Custody NV - REF LYXORMF 10342437	2223	8/1/2005	(1,400,000)
	Citco Global Custody NV - REF LYXORMF 10342437	2224	8/1/2005	(1,200,000)
	Citco Global Custody NV - REF LYXORMF 10342437	2301	9/1/2005	(2,000,000)
Subtotal: Citco Global Custody NV				$ (42,987,273)
2. SPhinX Access Ltd	SPhinX Access Ltd	2032	7/1/2005	$ (26,235,000)
	SPhinX Access Ltd	2033	7/1/2005	(8,954,000)
	SPhinX Access Ltd	2212	8/1/2005	17,100,000
	SPhinX Access Ltd	2213	8/1/2005	(17,100,000)
	SPhinX Access Ltd	2292	9/1/2005	3,400,000
	SPhinX Access Ltd	2293	9/1/2005	145,000
Subtotal: SPhinX Access Ltd				$ (31,644,000)

EXHIBIT 5

PlusFunds Investors with Net Redemptions (1), (2)
July - September 2005

Normalized Investor Name	Investor Name	Original Line #	Date	Subscription / (Redemption)
3. Rydex	Rydex	2206	7/1/2005	$ (39,000,000)
	Rydex	2207	7/1/2005	2,468,289
	Rydex	2286	8/1/2005	4,106,503
	Rydex	2378	9/1/2005	6,967,394
Subtotal: Rydex				$ (25,457,815)
4. SPhinX Access LLC	SPhinX Access LLC	2145	7/1/2005	$ (22,122,000)
	SPhinX Access LLC	2146	7/1/2005	(1,679,000)
Subtotal: SPhinX Access LLC				$ (23,801,000)
5. UBS AG London Branch	UBS AG London Branch	2095	7/1/2005	$ (5,000,000)
	UBS AG London Branch	2096	7/1/2005	(3,500,000)
	UBS AG London Branch	2147	7/1/2005	(2,635,957)
	UBS AG London Branch	2234	8/1/2005	(4,400,000)
	UBS AG London Branch	2247	8/1/2005	(1,388,010)
	UBS AG London Branch	2332	9/1/2005	(3,820,477)
Subtotal: UBS AG London Branch				$ (20,744,444)
6. Deutsche Bank	Deutsche Bank (Suisse) S.A.	2158	7/1/2005	$ (377,645)
	Deutsche Bank AG London	2302	9/1/2005	(15,000,000)
	Deutsche Bank AG London	2303	9/1/2005	(5,000,000)
Subtotal: Deutsche Bank				$ (20,377,645)
7. SGBT LUX / OVAL SELECTION	SGBT LUX / OVAL SELECTION	2231	8/1/2005	$ (5,179,226)
	SGBT LUX / OVAL SELECTION	2232	8/1/2005	(6,018,614)
	SGBT LUX / OVAL SELECTION	2233	8/1/2005	(6,066,043)
Subtotal: SGBT LUX / OVAL SELECTION				$ (17,263,883)
8. BIH S.A.	BIH S.A.	2117	7/1/2005	$ (182,211)
	BIH S.A.	2118	7/1/2005	(3,948,007)
	BIH S.A.	2119	7/1/2005	(301,595)
	BIH S.A.	2120	7/1/2005	(5,049,358)

EXHIBIT 5

PlusFunds Investors with Net Redemptions [1],[2]
July - September 2005

Normalized Investor Name	Investor Name	Original Line #	Date	Subscription / (Redemption)
BIH S.A. (Continued)	BIH S.A.	2121	7/1/2005	(5,011,755)
	BIH S.A.	2122	7/1/2005	(604,590)
Subtotal: BIH S.A.				$ (15,097,515)
9. CDP	CDP - Global Macro Fund Limited	2328	9/1/2005	$ (7,500,000)
	CDP - Global Macro Fund Limited	2329	9/1/2005	(2,500,000)
	CDP - Opportunistic Fund Limited	2330	9/1/2005	(2,100,000)
	CDP - Opportunistic Fund Limited	2331	9/1/2005	(1,300,000)
Subtotal: CDP				$ (13,400,000)
10. BAWAG	BAWAG P.S.K. INVEST GmbH	2037	7/1/2005	$ (348,589)
	BAWAG P.S.K. INVEST GmbH	2038	7/1/2005	(570,000)
	BAWAG P.S.K. INVEST GmbH	2039	7/1/2005	(172,727)
	BAWAG P.S.K. INVEST GmbH	2040	7/1/2005	(164,782)
	BAWAG P.S.K. INVEST GmbH	2041	7/1/2005	(169,217)
	BAWAG P.S.K. INVEST GmbH	2099	7/1/2005	(156,885)
	BAWAG P.S.K. INVEST GmbH	2100	7/1/2005	(529,000)
	BAWAG P.S.K. INVEST GmbH	2101	7/1/2005	(173,080)
	BAWAG P.S.K. INVEST GmbH	2102	7/1/2005	(582,000)
	BAWAG P.S.K. INVEST GmbH	2103	7/1/2005	(166,261)
	BAWAG P.S.K. INVEST GmbH	2104	7/1/2005	(562,000)
	BAWAG P.S.K. INVEST GmbH	2105	7/1/2005	(173,506)
	BAWAG P.S.K. INVEST GmbH	2106	7/1/2005	(594,000)
	BAWAG P.S.K. INVEST GmbH	2107	7/1/2005	(173,916)
	BAWAG P.S.K. INVEST GmbH	2108	7/1/2005	(541,000)
	BAWAG P.S.K. INVEST GmbH	2109	7/1/2005	(174,672)
	BAWAG P.S.K. INVEST GmbH	2110	7/1/2005	(588,000)
	BAWAG P.S.K. INVEST GmbH	2111	7/1/2005	(164,603)
	BAWAG P.S.K. INVEST GmbH	2112	7/1/2005	(568,000)
	BAWAG P.S.K. INVEST GmbH	2113	7/1/2005	(174,550)
	BAWAG P.S.K. INVEST GmbH	2114	7/1/2005	(595,000)
	BAWAG P.S.K. INVEST GmbH	2115	7/1/2005	(170,934)
	BAWAG P.S.K. INVEST GmbH	2116	7/1/2005	(572,000)

EXHIBIT 5

PlusFunds Investors with Net Redemptions (1), (2)
July - September 2005

Normalized Investor Name	Investor Name	Original Line #	Date	Subscription / (Redemption)
BAWAG (Continued)	BAWAG P.S.K. INVEST GmbH	2165	7/1/2005	(2,197,900)
	BAWAG P.S.K. INVEST GmbH	2166	7/1/2005	5,701,000
	BAWAG P.S.K. INVEST GmbH	2215	8/1/2005	(230,549)
	BAWAG P.S.K. INVEST GmbH	2216	8/1/2005	(236,015)
	BAWAG P.S.K. INVEST GmbH	2217	8/1/2005	(228,055)
	BAWAG P.S.K. INVEST GmbH	2218	8/1/2005	(228,728)
	BAWAG P.S.K. INVEST GmbH	2235	8/1/2005	(214,306)
	BAWAG P.S.K. INVEST GmbH	2236	8/1/2005	(237,455)
	BAWAG P.S.K. INVEST GmbH	2237	8/1/2005	(236,300)
	BAWAG P.S.K. INVEST GmbH	2238	8/1/2005	(235,137)
	BAWAG P.S.K. INVEST GmbH	2239	8/1/2005	(227,622)
	BAWAG P.S.K. INVEST GmbH	2240	8/1/2005	(238,108)
	BAWAG P.S.K. INVEST GmbH	2241	8/1/2005	(221,628)
	BAWAG P.S.K. INVEST GmbH	2242	8/1/2005	(235,916)
	BAWAG P.S.K. INVEST GmbH	2243	8/1/2005	(233,532)
	BAWAG P.S.K. INVEST GmbH	2248	8/1/2005	(1,198,200)
	BAWAG P.S.K. INVEST GmbH	2295	9/1/2005	(153,327)
	BAWAG P.S.K. INVEST GmbH	2296	9/1/2005	(157,687)
	BAWAG P.S.K. INVEST GmbH	2297	9/1/2005	(150,893)
	BAWAG P.S.K. INVEST GmbH	2298	9/1/2005	(151,956)
	BAWAG P.S.K. INVEST GmbH	2319	9/1/2005	(144,627)
	BAWAG P.S.K. INVEST GmbH	2320	9/1/2005	(158,326)
	BAWAG P.S.K. INVEST GmbH	2321	9/1/2005	(155,538)
	BAWAG P.S.K. INVEST GmbH	2322	9/1/2005	(156,643)
	BAWAG P.S.K. INVEST GmbH	2323	9/1/2005	(148,707)
	BAWAG P.S.K. INVEST GmbH	2324	9/1/2005	(158,757)
	BAWAG P.S.K. INVEST GmbH	2325	9/1/2005	(146,504)
	BAWAG P.S.K. INVEST GmbH	2326	9/1/2005	(155,444)
	BAWAG P.S.K. INVEST GmbH	2327	9/1/2005	(155,865)
	BAWAG P.S.K. INVEST GmbH	2333	9/1/2005	(400,000)
	BAWAG P.S.K. INVEST GmbH	2334	9/1/2005	(477,100)
Subtotal: BAWAG				$ (11,654,543)

EXHIBIT 5

PlusFunds Investors with Net Redemptions [(1), (2)]
July - September 2005

Normalized Investor Name	Investor Name	Original Line #	Date	Subscription / (Redemption)
11. Merrill Lynch	Merrill Lynch International	2074	7/1/2005	$ (6,000,000)
	Merrill Lynch International	2075	7/1/2005	(1,600,000)
	Merrill Lynch International	2076	7/1/2005	(2,400,000)
	Merrill Lynch Japan Securities Co Ltd	2078	7/1/2005	(508,445)
	Merrill Lynch International	2079	7/1/2005	(650,000)
	Merrill Lynch International	2080	7/1/2005	1,100,000
	Merrill Lynch International	2226	8/1/2005	(4,000,000)
	Merrill Lynch International	2305	9/1/2005	1,300,000
	Merrill Lynch International	2306	9/1/2005	1,900,000
Subtotal: Merrill Lynch				$ (10,858,445)
12. JP Morgan Securities Ltd	JP Morgan Securities Ltd	2069	7/1/2005	$ (10,000,000)
13. SPhinX Plus Ltd	SPhinX Plus Ltd	2086	7/1/2005	$ (2,635,957)
	SPhinX Plus Ltd	2087	7/1/2005	(118,835)
	SPhinX Plus Ltd	2088	7/1/2005	84,665
	SPhinX Plus Ltd	2227	8/1/2005	(1,388,010)
	SPhinX Plus Ltd	2228	8/1/2005	(216,240)
	SPhinX Plus Ltd	2229	8/1/2005	6,344
	SPhinX Plus Ltd	2311	9/1/2005	(3,820,477)
	SPhinX Plus Ltd	2312	9/1/2005	139,117
	SPhinX Plus Ltd	2313	9/1/2005	119,283
Subtotal: SPhinX Plus Ltd				$ (7,830,110)
14. Banque Pasche SA	Banque Pasche SA	2084	7/1/2005	$ (6,963,525)
15. CA-ISBL	CA-ISBL S/A CDC ICM SPHINX	2045	7/1/2005	$ (1,234,231)
	CA-ISBL S/A CDC ICM SPHINX 2	2046	7/1/2005	(848,446)
	CA-ISBL S/A CDC ICM SPHINX	2219	8/1/2005	(1,203,345)
	CA-ISBL S/A CDC ICM SPHINX 2	2220	8/1/2005	(587,002)
	CA-ISBL S/A CDC ICM SPHINX	2299	9/1/2005	(1,264,696)
	CA-ISBL S/A CDC ICM SPHINX 2	2300	9/1/2005	(844,097)
Subtotal: CA-ISBL				$ (5,981,816)

EXHIBIT 5

PlusFunds Investors with Net Redemptions [1], [2]
July - September 2005

Normalized Investor Name	Investor Name	Original Line #	Date	Subscription / (Redemption)
16. SunTrust	SunTrust custodian FBO Ernest Ludy CRUT	2063	7/1/2005	$ (1,048,138)
	Sun Trust FBO Faulhaber Foundation 51211125120102	2064	7/1/2005	(429,644)
	SunTrust FBO Carolyn Branner Trust 51011125100280	2132	7/1/2005	(491,806)
	SunTrust custodian FBO Cecil Harrell Irev. Trust	2133	7/1/2005	(517,217)
	SunTrust Custodian FBO The DeCesaris Family Trust	2136	7/1/2005	(500,889)
	SunTrust FBO Don & Lajuana Porter JTWRS 51211125121325	2137	7/1/2005	(554,386)
	SunTrust FBO Katherine Pasternack Rev. Trust #51-01-112 100380	2139	7/1/2005	(1,017,049)
	SunTrust FBO William & Deborah Porter JT 51211125121315	2140	7/1/2005	(554,386)
	SunTrust FBO Tom & Lynda Porter JTWROS 51211125121335	2141	7/1/2005	(554,386)
Subtotal: SunTrust				$ (5,667,902)
17. Qatar Telecom	QATAR TELECOM	2123	7/1/2005	$ (592,565)
	QATAR TELECOM	2124	7/1/2005	(1,251,472)
	QATAR TELECOM	2125	7/1/2005	(1,416,607)
	QATAR TELECOM	2126	7/1/2005	(1,542,219)
Subtotal: Qatar Telecom				$ (4,802,862)
18. United Arab Shipping Co SAG (National Bank of Kuwait)	United Arab Shipping Co SAG (National Bank of Kuwait)	2128	7/1/2005	$ (3,190,685)
19. Ansbacher Portfolio Nominees (Guernsey) Ltd.	Ansbacher Portfolio Nominees (Guernsey) Ltd.	2097	7/1/2005	$ (3,062,873)
	Ansbacher Portfolio Nominees (Guernsey) Ltd.	2098	7/1/2005	(44,874)
Subtotal: Ansbacher Portfolio Nominees (Guernsey) Ltd.				$ (3,107,748)
20. Andean Management Inc.	Andean Management Inc.	2148	7/1/2005	$ (1,885,176)
21. Marenella International Limited	Marenella International Limited	2161	7/1/2005	$ (1,767,352)
22. SPhinX Providence, LTD class SP, series A	SPhinX Providence, LTD class SP, series A	2208	7/1/2005	$ (1,635,000)

EXHIBIT 5

PlusFunds Investors with Net Redemptions (1),(2)
July - September 2005

Normalized Investor Name	Investor Name	Original Line #	Date	Subscription / (Redemption)
23. Citigroup Canada	Citigroup Canada	2056	7/1/2005	$ (1,500,000)
24. Nortrust Nominees Limited Account OS001	Nortrust Nominees Limited Account OS001	2083	7/1/2005	$ (995,617)
25. Credit Agricole Indosuez Suisse SA	Credit Agricole Indosuez Suisse SA	2057	7/1/2005	$ (20,009)
	Credit Agricole Indosuez Suisse SA	2058	7/1/2005	(201,317)
	Credit Agricole Indosuez Suisse SA	2059	7/1/2005	(252)
	Credit Agricole Indosuez Suisse SA	2060	7/1/2005	(549)
	Credit Agricole Indosuez Suisse SA	2155	7/1/2005	(678,228)
Subtotal: Credit Agricole Indosuez Suisse SA				$ (900,356)
26. Ling Ltd	Ling Ltd	2073	7/1/2005	$ (149,855)
	Ling Ltd	2160	7/1/2005	(695,048)
Subtotal: Ling Ltd				$ (844,903)
27. IBL Investment Bank Luxembourg SA	IBL Investment Bank Luxembourg SA	2149	7/1/2005	$ (808,561)
28. BNP Paribas Arbitrage SNC	BNP Paribas Arbitrage SNC	2042	7/1/2005	$ (1,300,000)
	BNP Paribas Arbitrage SNC	2043	7/1/2005	650,000
Subtotal: BNP Paribas Arbitrage SNC				$ (650,000)
29. Cominvest Hedge	Cominvest Hedge Conservative	2167	7/1/2005	$ (75,000)
	Cominvest Hedge Conservative	2168	7/1/2005	(75,000)
	Cominvest Hedge Conservative	2169	7/1/2005	(75,000)
	Cominvest Hedge Conservative	2170	7/1/2005	(450,000)
	Cominvest Hedge Conservative	2171	7/1/2005	(50,000)
	Cominvest Hedge Conservative	2172	7/1/2005	(150,000)
	Cominvest Hedge Conservative	2173	7/1/2005	(25,000)
	Cominvest Hedge Conservative	2174	7/1/2005	(50,000)
	Cominvest Hedge Conservative	2175	7/1/2005	(125,000)
	Cominvest Hedge Conservative	2176	7/1/2005	(125,000)
	Cominvest Hedge Conservative	2177	7/1/2005	(100,000)
	Cominvest Hedge Conservative	2178	7/1/2005	(50,000)

EXHIBIT 5

PlusFunds Investors with Net Redemptions [(1), (2)]
July - September 2005

Normalized Investor Name	Investor Name	Original Line #	Date	Subscription / (Redemption)
Cominvest Hedge (Continued)	Cominvest Hedge Conservative	2179	7/1/2005	(125,000)
	Cominvest Hedge Conservative	2180	7/1/2005	(150,000)
	Cominvest Hedge Conservative	2181	7/1/2005	(75,000)
	Cominvest Hedge Conservative	2182	7/1/2005	(150,000)
	Cominvest Hedge Conservative	2183	7/1/2005	(75,000)
	Cominvest Hedge Dynamic	2184	7/1/2005	(50,000)
	Cominvest Hedge Dynamic	2185	7/1/2005	(100,000)
	Cominvest Hedge Dynamic	2186	7/1/2005	(100,000)
	Cominvest Hedge Dynamic	2187	7/1/2005	(75,000)
	Cominvest Hedge Dynamic	2188	7/1/2005	(100,000)
	Cominvest Hedge Dynamic	2189	7/1/2005	(350,000)
	Cominvest Hedge Dynamic	2190	7/1/2005	(50,000)
	Cominvest Hedge Dynamic	2191	7/1/2005	(100,000)
	Cominvest Hedge Dynamic	2192	7/1/2005	(100,000)
	Cominvest Hedge Dynamic	2193	7/1/2005	(100,000)
	Cominvest Hedge Dynamic	2194	7/1/2005	(50,000)
	Cominvest Hedge Dynamic	2195	7/1/2005	(100,000)
	Cominvest Hedge Dynamic	2196	7/1/2005	(250,000)
	Cominvest Hedge Dynamic	2197	7/1/2005	(100,000)
	Cominvest Hedge Dynamic	2198	7/1/2005	(75,000)
	Cominvest Hedge Dynamic	2199	7/1/2005	(75,000)
	Cominvest Hedge Dynamic	2200	7/1/2005	(125,000)
	Cominvest Hedge Conservative	2249	8/1/2005	50,000
	Cominvest Hedge Conservative	2250	8/1/2005	75,000
	Cominvest Hedge Conservative	2251	8/1/2005	100,000
	Cominvest Hedge Conservative	2252	8/1/2005	100,000
	Cominvest Hedge Conservative	2253	8/1/2005	50,000
	Cominvest Hedge Conservative	2254	8/1/2005	(225,000)
	Cominvest Hedge Conservative	2255	8/1/2005	75,000
	Cominvest Hedge Conservative	2256	8/1/2005	100,000
	Cominvest Hedge Conservative	2257	8/1/2005	25,000
	Cominvest Hedge Conservative	2258	8/1/2005	75,000
	Cominvest Hedge Conservative	2259	8/1/2005	150,000
	Cominvest Hedge Conservative	2260	8/1/2005	150,000

EXHIBIT 5

PlusFunds Investors with Net Redemptions (1),(2)
July - September 2005

Normalized Investor Name	Investor Name	Original Line #	Date	Subscription / (Redemption)
Cominvest Hedge (Continued)	Cominvest Hedge Conservative	2261	8/1/2005	150,000
	Cominvest Hedge Conservative	2262	8/1/2005	75,000
	Cominvest Hedge Conservative	2263	8/1/2005	175,000
	Cominvest Hedge Conservative	2264	8/1/2005	175,000
	Cominvest Hedge Conservative	2265	8/1/2005	100,000
	Cominvest Hedge Conservative	2266	8/1/2005	100,000
	Cominvest Hedge Conservative	2267	8/1/2005	50,000
	Cominvest Hedge Conservative	2268	8/1/2005	(1,155,381)
	Cominvest Hedge Conservative	2269	8/1/2005	1,155,381
	Cominvest Hedge Dynamic	2270	8/1/2005	650,000
	Cominvest Hedge Dynamic	2271	8/1/2005	50,000
	Cominvest Hedge Dynamic	2272	8/1/2005	25,000
	Cominvest Hedge Dynamic	2273	8/1/2005	(50,000)
	Cominvest Hedge Dynamic	2274	8/1/2005	25,000
	Cominvest Hedge Dynamic	2275	8/1/2005	75,000
	Cominvest Hedge Dynamic	2276	8/1/2005	50,000
	Cominvest Hedge Dynamic	2277	8/1/2005	(100,000)
	Cominvest Hedge Dynamic	2278	8/1/2005	75,000
	Cominvest Hedge Dynamic	2279	8/1/2005	50,000
	Cominvest Hedge Dynamic	2280	8/1/2005	50,000
	Cominvest Hedge Dynamic	2281	8/1/2005	50,000
	Cominvest Hedge Dynamic	2282	8/1/2005	(950,000)
	Cominvest Hedge Dynamic	2283	8/1/2005	(1,088,014)
	Cominvest Hedge Conservative	2335	9/1/2005	975,000
	Cominvest Hedge Conservative	2336	9/1/2005	300,000
	Cominvest Hedge Conservative	2337	9/1/2005	525,000
	Cominvest Hedge Conservative	2338	9/1/2005	100,000
	Cominvest Hedge Conservative	2339	9/1/2005	300,000
	Cominvest Hedge Conservative	2340	9/1/2005	(350,000)
	Cominvest Hedge Conservative	2341	9/1/2005	(600,000)
	Cominvest Hedge Conservative	2342	9/1/2005	225,000
	Cominvest Hedge Conservative	2343	9/1/2005	(975,000)
	Cominvest Hedge Conservative	2344	9/1/2005	(25,000)
	Cominvest Hedge Conservative	2345	9/1/2005	(100,000)

EXHIBIT 5

PlusFunds Investors with Net Redemptions [1],[2]
July - September 2005

Normalized Investor Name	Investor Name	Original Line #	Date	Subscription / (Redemption)
Cominvest Hedge (Continued)	Cominvest Hedge Conservative	2346	9/1/2005	(225,000)
	Cominvest Hedge Conservative	2347	9/1/2005	100,000
	Cominvest Hedge Conservative	2348	9/1/2005	350,000
	Cominvest Hedge Conservative	2349	9/1/2005	25,000
	Cominvest Hedge Conservative	2350	9/1/2005	(237,549)
	Cominvest Hedge Conservative	2351	9/1/2005	190,039
	Cominvest Hedge Conservative	2352	9/1/2005	47,510
	Cominvest Hedge Conservative	2353	9/1/2005	(472,561)
	Cominvest Hedge Conservative	2354	9/1/2005	223,899
	Cominvest Hedge Conservative	2355	9/1/2005	174,091
	Cominvest Hedge Conservative	2356	9/1/2005	74,570
	Cominvest Hedge Dynamic	2357	9/1/2005	1,100,000
	Cominvest Hedge Dynamic	2358	9/1/2005	(375,000)
	Cominvest Hedge Dynamic	2359	9/1/2005	(25,000)
	Cominvest Hedge Dynamic	2360	9/1/2005	725,000
	Cominvest Hedge Dynamic	2361	9/1/2005	150,000
	Cominvest Hedge Dynamic	2362	9/1/2005	25,000
	Cominvest Hedge Dynamic	2363	9/1/2005	(150,000)
	Cominvest Hedge Dynamic	2364	9/1/2005	175,000
	Cominvest Hedge Dynamic	2365	9/1/2005	100,000
	Cominvest Hedge Dynamic	2366	9/1/2005	150,000
	Cominvest Hedge Dynamic	2367	9/1/2005	25,000
	Cominvest Hedge Dynamic	2368	9/1/2005	50,000
	Cominvest Hedge Dynamic	2369	9/1/2005	750,000
	Cominvest Hedge Dynamic	2370	9/1/2005	325,000
	Cominvest Hedge Dynamic	2371	9/1/2005	250,000
	Cominvest Hedge Dynamic	2372	9/1/2005	(175,000)
	Cominvest Hedge Dynamic	2373	9/1/2005	(25,000)
	Cominvest Hedge Dynamic	2374	9/1/2005	(975,000)
Subtotal: Cominvest Hedge				$ (638,014)
30. Credit Suisse London Nominees Ltd.	Credit Suisse London Nominees Ltd.	2061	7/1/2005	$ (100,739)
	Credit Suisse London Nominees Ltd.	2062	7/1/2005	(149,852)

EXHIBIT 5

PlusFunds Investors with Net Redemptions [(1), (2)]
July - September 2005

Normalized Investor Name	Investor Name	Original Line #	Date	Subscription / (Redemption)
Credit Suisse London Nominees Ltd. (Continued)	Credit Suisse London Nominees Ltd.	2156	7/1/2005	(189,759)
	Credit Suisse London Nominees Ltd.	2157	7/1/2005	(189,761)
Subtotal: Credit Suisse London Nominees Ltd.				$ (630,111)
31. Brad and Judith Chase(NBGI)	Brad and Judith Chase(NBGI)	2134	7/1/2005	$ (508,822)
32. Nassef Latif Nakhla	Nassef Latif Nakhla	2082	7/1/2005	$ (507,113)
33. Dr. Neal Roth IRA	Dr. Neal Roth IRA	2093	7/1/2005	$ (431,168)
34. The Dynasty 2000	The Dynasty 2000	2159	7/1/2005	$ (255,284)
35. June Wolfson Trust DTD 1/01/03	June Wolfson Trust DTD 1/01/03	2138	7/1/2005	$ (250,000)
36. Stephen Wolfson Trust DTD 1/01/03	Stephen Wolfson Trust DTD 1/01/03	2144	7/1/2005	$ (250,000)
37. Gabriel & Polly Bousbib	Gabriel & Polly Bousbib	2129	7/1/2005	$ (96,246)
	Gabriel & Polly Bousbib	2130	7/1/2005	(91,862)
	Gabriel & Polly Bousbib	2131	7/1/2005	(58,686)
Subtotal: Gabriel & Polly Bousbib				$ (246,793)
38. Anglo Irish Bank (Suisse), S.A.	Anglo Irish Bank (Suisse), S.A.	2034	7/1/2005	$ (54,590)
	Anglo Irish Bank (Suisse), S.A.	2035	7/1/2005	(54,590)
	Anglo Irish Bank (Suisse), S.A.	2036	7/1/2005	(101,613)
	Anglo Irish Bank (Suisse), S.A.	2315	9/1/2005	(18,627)
Subtotal: Anglo Irish Bank (Suisse), S.A.				$ (229,419)
39. Roy Winegardner Living Trust	Roy Winegardner Living Trust	2142	7/1/2005	$ (200,495)
40. Ventor Enterprises Limited	Ventor Enterprises Limited	2162	7/1/2005	$ (196,372)

EXHIBIT 5

PlusFunds Investors with Net Redemptions (1),(2)
July - September 2005

Normalized Investor Name	Investor Name	Original Line #	Date	Subscription / (Redemption)
41. GinsGlobal Index Funds	GinsGlobal Index Funds	2065	7/1/2005	$ (8,862)
	GinsGlobal Index Funds	2066	7/1/2005	(44,128)
	GinsGlobal Index Funds	2067	7/1/2005	(12,144)
	GinsGlobal Index Funds	2068	7/1/2005	(101,507)
Subtotal: GinsGlobal Index Funds				$ (166,642)
42. Bank Frick & Co	Bank Frick & Co	2214	8/1/2005	$ (152,927)
	Bank Frick & Co	2225	8/1/2005	120,000
	Bank Frick & Co	2294	9/1/2005	(138,227)
	Bank Frick & Co	2304	9/1/2005	25,000
Subtotal: Bank Frick & Co				$ (146,153)
43. The Wolff Living Trust	The Wolff Living Trust	2143	7/1/2005	$ (109,552)
44. Beth Cutler	Beth Cutler	2135	7/1/2005	$ (100,000)
45. Sphinx Managed Futures Index Fund	Sphinx Managed Futures Index Fund	2290	8/1/2005	$ (250,000)
	Sphinx Managed Futures Index Fund	2375	9/1/2005	700,000
	Sphinx Managed Futures Index Fund	2379	9/1/2005	(500,000)
Subtotal: Sphinx Managed Futures Index Fund				$ (50,000)
46. Bank of New York-Inter Maritime Bank, Geneva	Bank of New York-Inter Maritime Bank, Geneva	2044	7/1/2005	$ (25,607)
TOTAL				**$ (296,759,723)**

Notes: (1) Source is Schedule of PlusFunds' Total Subscriptions and Redemptions (PLF-NYS01-07668327 - PLF-NYS01-07668504).
(2) This exhibit does not include subscriptions and redemptions by Permal Asset Management Inc., which invested through the Refco SPhinX Managed Futures Index Fund. See Expert Report of Joan A. Lipton, dated June 28, 2012, page 12.

EXHIBIT 6

PlusFunds Adjusted Trailing Twelve Months ("TTM") EBITDA as of September 30, 2005

($ in thousands)

Reported TTM EBITDA as of September 30, 2005	$	809 (1)
Plus: 2005 Adjustment to EBITDA		3,700 (2)
Plus: 2004 Adjustment to EBITDA		1,373 (3)
Adjusted TTM EBITDA	**$**	**5,882**

Notes: (1) Source is Expert Report of Joan A. Lipton, dated June 28, 2012, Exhibit 6, page 3.

(2) Reflects $3.7 million of legal fees related to OTC litigation and a stock dispute. See Expert Report of Joan A. Lipton, dated June 28, 2012, Exhibit 5.

(3) Reflects $1.1 million severance to Gabriel Bousbib and a $273,000 one-time employee bonus. See Expert Report of Joan A. Lipton, dated June 28, 2012, Exhibit 5.

EXHIBIT 7

Comparison of Lipton's Assets Under Management ("AUM") Growth Rates to Industry Growth Rates
Hedge Fund Industry [1]
($ in billions)

	BarclayHedge [2]		Hedge Fund Research [3]		Average		Lipton [4]	
	Hedge Fund AUM	Percentage Change	Hedge Fund AUM	Percentage Change	Hedge Fund AUM	Percentage Change	PlusFunds AUM	Percentage Change
December 31, 2005	$ 1,360.7		$ 1,105.4		$ 1,233.0		$ 2.5	
December 31, 2006	$ 1,713.1	*26%*	$ 1,464.5	*32%*	$ 1,588.8	*29%*	$ 4.0	*60%*
December 31, 2007	$ 2,136.8	*25%*	$ 1,868.4	*28%*	$ 2,002.6	*26%*	$ 6.3	*56%*
December 31, 2008	$ 1,457.9	*-32%*	$ 1,407.1	*-25%*	$ 1,432.5	*-28%*	$ 9.1	*45%*
December 31, 2009	$ 1,554.1	*7%*	$ 1,600.2	*14%*	$ 1,577.1	*10%*	$ 11.3	*25%*
December 31, 2010	$ 1,693.9	*9%*	$ 1,917.4	*20%*	$ 1,805.6	*14%*	$ 14.2	*25%*
Compound Annual Growth Rate 2005 - 2010 [5]						***8%***		***41%***

Notes: (1) Ms. Lipton uses data from three "hedge fund benchmark indices": BarclayHedge, Hedge Fund Research and Hennessee Group (see Expert Report of Joan A. Lipton, dated June 28, 2012, pages 10 and 14). Hennessee Group only published hedge fund industry AUM through January 2009.

(2) Source is BarclayHedge Hedge Fund AUM (EXP-ParB-0000339).

(3) Source is HFR Global Hedge Fund Industry Report - Second Quarter 2012, slide 10.

(4) Source is Expert Report of Joan Lipton, dated June 28, 2012, Exhibit 10.

(5) Calculated as (Year End 2010 AUM / Year End 2005 AUM) ^ (1 / 5) - 1.

EXHIBIT 8

Comparison of Lipton's Assets Under Management ("AUM") Growth Rates to Industry Growth Rates
Fund of Hedge Funds ("FoHF") Industry
($ in billions)

	BarclayHedge (1)		Hedge Fund Research (2)		Average		Lipton (3)	
	FoHF AUM	Percentage Change	FoHF AUM	Percentage Change	FoHF AUM	Percentage Change	PlusFunds AUM	Percentage Change
December 31, 2005	$ 753.7		$ 394.6		$ 574.1		$ 2.5	
December 31, 2006	$ 948.0	*26%*	$ 655.9	*66%*	$ 802.0	*40%*	$ 4.0	*60%*
December 31, 2007	$ 1,192.0	*26%*	$ 798.6	*22%*	$ 995.3	*24%*	$ 6.3	*56%*
December 31, 2008	$ 747.2	*-37%*	$ 593.2	*-26%*	$ 670.2	*-33%*	$ 9.1	*45%*
December 31, 2009	$ 556.2	*-26%*	$ 571.3	*-4%*	$ 563.7	*-16%*	$ 11.3	*25%*
December 31, 2010	$ 561.7	*1%*	$ 646.3	*13%*	$ 604.0	*7%*	$ 14.2	*25%*
Compound Annual Growth Rate 2005 - 2010 (4)						*1%*		*41%*

Notes: (1) Source is BarclayHedge Fund of Hedge Funds AUM (http://www.barclayhedge.com/research/indices/ghs/mum/Fund_of_Funds.html).
(2) Source is HFR Global Hedge Fund Industry Report - Second Quarter 2012, slide 114.
(3) Source is Expert Report of Joan Lipton, dated June 28, 2012, Exhibit 10.
(4) Calculated as (Year End 2010 AUM / Year End 2005 AUM) ^ (1 / 5) - 1.

EXHIBIT 9

Calculation of SPhinX Managed Futures Fund ("SMFF") Claimable Losses
Assumes SMFF Files a Claim as a Refco Capital Markets ("RCM") Class 3 FX/Unsecured Creditor [1]
($ in millions)

		Scenario 1		Scenario 2	
A	Actual Allowed Claims [2]	$	915.6	$	915.6
B	Plus: SMFF Claim		312.0		312.0
C = A + B	Adjusted Allowed Claims	$	1,227.7	$	1,227.7
D	Actual Distribution Pool [3]	$	482.9	$	482.9
E	Plus: Additional Distribution Proceeds		312.0 [4]		49.0 [5]
F = D + E	Adjusted Distribution Pool	$	795.0	$	531.9
G = F / C	Recovery Rate		65%		43%
B	SMFF Claim	$	312.0	$	312.0
H = B x G	SMFF Share of Adjusted Distribution Pool		202.8		134.2
I = B - H	**SMFF Maximum Loss**	**$**	**109.2**	**$**	**177.9**

Notes: (1) Assumes SMFF returned $312 million (see Stipulation and Order of Settlement, dated June 9, 2006) and filed an allowed claim against the RCM estate as a RCM Class 3 FX/Unsecured Creditor.

(2) Source is RCM Plan Administrator's Notice of Eighth Interim Distribution of Assets in Place and Tenth Interim Distribution of Additional Property, dated December 21, 2010, Annex 1, pages 15 and 38. This amount includes $913,615,856 of "Allowed RCM/FX Unsecured Claims" and $1,991,113 of "Allowed RCM/FX Unsecured Claims with Respect to Convenience Class."

(3) Source is Debtors' Post-Confirmation Quarterly Report for the Period from April 1, 2012 to June 30, 2012, dated July 13, 2012, Schedule II, pages 6 and 7. Includes $801,000 in payments that had not cleared the bank.

(4) Assumes the $312 million SMFF would have returned to RCM would have been added back to the Class 3 Distribution Pool. See Expert Report of Paul Pocalyko, dated June 29, 2012, page 18, footnote 39.

(5) Assumes $49 million of the $312 million SMFF would have returned to RCM would have been added back to the Class 3 Distribution Pool. See RCM Plan Administrator's Notice of Sixth Interim Distribution of RCM Assets In Place to Holders of Allowed Class 4 RCM Securities Customer Claims Solely In Respect of the SPhinX Settlement Proceeds, dated November 13, 2007.

EXHIBIT 10

Calculation of SPhinX Managed Futures Fund ("SMFF") Claimable Losses
Assumes SMFF Files a Claim as a Refco, LLC General Unsecured Creditor [(1)]
($ in millions)

A	Actual Allowed Claims [(2)]	$ 1,347.8
B	Plus: SMFF Claim	312.0
C = A + B	Adjusted Allowed Claims	$ 1,659.8
D	Actual Distribution Pool [(2)]	$ 901.1
E	Plus: Additional Distribution Proceeds	-
F = D + E	Adjusted Distribution Pool	$ 901.1
G = F / C	Recovery Rate	54%
B	SMFF Claim	$ 312.0
H = B x G	SMFF Share of Adjusted Distribution Pool	168.5
I = B - H	**SMFF Maximum Loss**	**$ 143.5**

Notes: (1) Assumes SMFF returned $312 million to Refco Capital Markets (see Stipulation and Order of Settlement, dated June 9, 2006) and filed an allowed claim against the Refco, LLC estate as a General Unsecured Creditor.

(2) Source is Chapter 7 Trustee's Final Account and Distribution Report Certification that the Estate Has Been Fully Administered and Application To Be Discharged (TDR), dated March 7, 2012, page 2.

EXHIBIT 11

Calculation of SPhinX Managed Futures Fund ("SMFF") Claimable Losses
Assumes SMFF Files Claims as Both a Refco Capital Markets ("RCM") Class 3 FX/Unsecured Creditor
And as a Refco, LLC General Unsecured Creditor [1]

($ in millions)

		Scenario 1	Scenario 2
A	SMFF Claim	$ 312.0	$ 312.0
B	Potential Recovery from RCM [2]	$ 202.8	$ 134.2
C	Potential Recovery from Refco, LLC [3]	168.5	168.5
D = B + C	Combined Potential Recovery	$ 371.3	$ 302.7
E = A - D	**SMFF Maximum Loss**	**$ -** [4]	**$ 9.4**

Notes: (1) Assumes SMFF returned $312 million (see Stipulation and Order of Settlement, dated June 9, 2006) and filed allowed claims against both the RCM and Refco, LLC bankruptcy estates.

(2) Source is Tucker Exhibit 9.

(3) Source is Tucker Exhibit 10.

(4) Assumes SMFF could not recover more than its claim of $312 million.